



JONATHAN E. FIELDING, M.D., M.P.H.
Director and Health Officer

JONATHAN E. FREEDMAN
Chief Deputy Director

313 North Figueroa Street, Room 808
Los Angeles, California 90012
TEL (213) 240-8117 • FAX (213) 975-1273

www.publichealth.lacounty.gov



BOARD OF SUPERVISORS

Gloria Molina
First District

Mark Ridley-Thomas
Second District

Zev Yaroslavsky
Third District

Don Knabe
Fourth District

Michael D. Antonovich
Fifth District

March 09, 2010

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

21 MARCH 9, 2010

SACHI A. HAMAI
EXECUTIVE OFFICER

**APPROVAL OF FIVE CERTIFIED NEEDLE EXCHANGE PROGRAM SERVICE AGREEMENTS
FOR THE NEEDLE EXCHANGE PROGRAM
(ALL SUPERVISORIAL DISTRICTS) (3 VOTES)**

SUBJECT

Request approval to execute certified needle exchange program service agreements with five contract providers.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and instruct the Director of Public Health (DPH), or his designee, to execute certified needle exchange program (NEP) service agreements (substantially similar to Exhibit I), with Asian American Drug Abuse Program, Inc. (AADAP), Bienestar Human Services, Inc., (Bienestar), Common Ground The Westside HIV Community Center (Common Ground), Public Health Foundation Enterprises, Inc., (PHFE) representing Clean Needles Now (CNN), and Tarzana Treatment Centers, Inc., (TTC), effective upon execution by the parties, but no sooner than the date of Board approval, through June 30, 2010, or a period of 3 months, whichever is greater, at a total cost not to exceed \$500,000, 100 percent offset by Tobacco Master Settlement Agreement (TMSA) funds, with a provision for the continuation of program services, effective upon completion of the initial term through June 30, 2011, at a total cost not to exceed \$500,000, contingent upon DPH's assessment of program effectiveness.
2. Delegate authority to the Director of DPH, or his designee, to increase or decrease each agreement's maximum obligation up to 25 percent based on contractor performance and/or their utilization of funds during the term of the agreements, subject to review and approval by County

Counsel and the Chief Executive Office and notification to your Board.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of this proposed action is to approve and instruct DPH to execute five certified NEP service agreements and allow DPH to increase or decrease each agreement's maximum obligations based on contractor performance and/or their utilization of funds during the term of the agreements. This action supports DPH's efforts to provide NEP services to injection drug users (IDU) residing within Los Angeles County (County).

The risk of contracting the Human Immunodeficiency Virus (HIV) and other blood borne pathogens, such as Hepatitis B and C, presents a serious threat to IDUs. Research shows that NEPs are an effective method of intervention in preventing the spread of such bloodborne pathogens among IDUs and their sexual and needle sharing partners. NEPs provide controlled access to clean needles, which helps to prevent further transmission of blood borne pathogens. In addition, NEPs serve as an important venue for providing the IDU population with information and referrals to other available medical and social services, including access to drug treatment services.

Under the new agreements, NEP services will be provided through four different types of service sites: 1) a street-based site operating from an open-air street location (including parking lot, alley, etc.,) or from a mobile van, providing services in one of the priority areas (Antelope Valley, East Los Angeles, San Fernando Valley, San Gabriel Valley, South Bay [excluding the City of Long Beach], and South Los Angeles), during specific operating hours each week; 2) an applicant agency-based site which is a needle exchange program service location housed within the applicant's agency; 3) a clinic-based site which is a site that also provides storefront site services but from an existing clinic currently located in the community; or 4) a partner program-based site which is a location where the applicant agency partners with another community-based agency providing services including, but not limited to, street outreach, HIV or sexually transmitted disease (STD) prevention or risk reduction services to a similar population and establishes an NEP on-site within the partner agency.

DPH's original intent was to issue a request for application (RFA) prior to June 30, 2009. However, limited staffing and the need to modify the current needle exchange modalities led to the delay in the release of the RFA and the subsequent gap in NEP services. Although it was initially anticipated that new contracts would be in place by November 2009, the work required to complete the RFA process was delayed in part due to staff time devoted to H1N1 activities. Some agencies were able to continue limited services for a brief time, while other agencies referred clients to their City of Los Angeles funded sites.

Implementation of Strategic Plan Goals

The recommended action supports Goal 4, Health and Mental Health Services and Goal 5, Public Safety, of the County's Strategic Plan by providing a critical program which will reduce the risk of blood borne diseases and improve the health of County residents and by providing a venue for the disposal of used syringes that might otherwise be discarded in inappropriate places, thus increasing the safety and security of County residents.

FISCAL IMPACT/FINANCING

The total cost for the five agreements is \$500,000 (\$100,000 per agreement) for the period of agreement execution through June 30, 2010, or a period of 3 months, whichever is greater, and an additional \$500,000 for the period commencing upon completion of the initial term through June 30, 2011, 100 percent offset by TMSA funds.

Funding for this proposed action is included in DPH's FY 2009-10 Final Adopted Budget and will be included in future FYs, as necessary.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On August 29, 2000, your Board instructed the County's Department of Health Services (DHS) to develop a plan to review procedures and certify the operation of NEPs located in the County. This action was taken in recognition of the public health crisis related to the transmission of HIV and hepatitis due to needle sharing among IDUs, and the considerable amount of published studies indicating the efficacy of needle exchange as an effective risk reduction intervention.

On August 2, 2005, your Board approved the use of \$500,000 in TMSA funds, as allowed for health related projects, to support the DHS' institution of a NEP certification process. As a result of this action, DHS (or DPH) began developing a Request for Proposals (RFP) for certified NEP services to select and certify NEP providers which could provide services in any of the areas of the County where DPH determined such services did not exist or were inadequately provided. Although the City of Los Angeles has provided NEP services for a number of years within their city limits, data indicates there are a number of areas outside of the city limits that could benefit from such services. Areas identified by DPH in which this situation is applicable are: the Antelope Valley (including unincorporated areas), East Los Angeles, San Fernando Valley, San Gabriel Valley, South Bay, and South Los Angeles.

On March 13, 2007, your Board approved the award of certified NEP agreements with five contract providers effective on the date of execution through March 12, 2008, or a period of 12 months, whichever was greater, at a total cost of \$500,000, 100 percent offset by TMSA funds.

On June 10, 2008 your Board delegated authority to execute Amendment Number 1 to extend the term of the certified NEP agreements with the five contract providers through June 30, 2009.

DPH has written and published the County of Los Angeles Policy and Procedures for Certified Needle Exchange Programs Manual. This publication outlines the requirements a provider must meet in order to become a certified NEP provider. NEP providers are required to: 1) obtain local community and law enforcement approval to operate a NEP service site within the community; 2) distribute needles to only registered IDUs who participate in the agency's programs and to maintain records on such distribution; 3) provide safe containers for needle disposal (i.e., clean needles are exchanged for use needles on one to one basis); and 4) provide procedures for handling accidental needle sticks received by staff, etc., which all providers under this action have met as part of their selection.

County Counsel has approved Exhibit I as to form.

CONTRACTING PROCESS

On December 15, 2009, DPH released the RFA, which was limited to only those providers that had three or more years of experience as an NEP provider, and previously certified to provide needle exchange services under DPH's Needle Exchange Certification program. Five providers met the qualifications and submitted applications on January 8, 2010: ADAP, Bienestar, CNN, Common Ground, and TCC.

After reviewing the applications, all five providers were determined to be qualified and are now recommended for award.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

NEP services will provide IDUs with a clean needle alternative which helps prevent the transmission of blood borne diseases, including HIV and other blood borne pathogens (e.g., Hepatitis B and C).

Respectfully submitted,



JONATHAN E. FIELDING, M.D., M.P.H.
Director and Health Officer

JEF:yl

Enclosures

c: Chief Executive Officer
County Counsel
Executive Officer, Board of Supervisors

EXHIBIT I

Contract No. _____

CERTIFIED NEEDLE EXCHANGE PROGRAM SERVICES AGREEMENT

THIS AGREEMENT is made and entered into this _____ day
of _____, 2010,

by and between

COUNTY OF LOS ANGELES (hereafter
"County"),

and

(hereafter "Contractor").

WHEREAS, California Health and Safety Code Section 101025 places upon
County's Board of Supervisors ("Board") the duty to preserve and protect the public's
health; and

WHEREAS, California Health and Safety Code Section 3110 specifies counties'
responsibility to provide prevention, treatment, and control of communicable diseases,
and Section 17003 of the California Welfare Institution Code defines counties'
responsibility to promote the general welfare and the public health of the community;
and

WHEREAS, California Health and Safety Code Section 101000 requires County's
Board to appoint a County Health Officer, who is also the Director of County's
Department of Public Health (hereafter "DPH" or "Department"), to prevent the spread
or occurrence of communicable, contagious, and/or infectious diseases within the
jurisdiction of County; and

WHEREAS, research has shown that needle exchange programs ("NEPs") are an effective intervention to prevent the spread of human immunodeficiency virus ("HIV") and other bloodborne diseases among intravenous/injection drug users ("IDUs") and their sexual partners: and

WHEREAS, NEPs provide IDUs and others, with access to clean needles which helps prevent further transmission of HIV and other bloodborne pathogens, as well as, serving as an important venue for providing IDUs with referrals to medical and social services, including access to drug treatment; and

WHEREAS, Contractor is duly licensed and certified under the laws of the State of California and County to engage in the business of providing NEP services as described hereunder, and further possesses the competence, expertise, and personnel, required to provide such services; and

WHEREAS, the term "Director" as used herein refers to County's Director of DPH, or his authorized designee (hereafter jointly referred to as "Director"); and

WHEREAS, this Agreement is authorized by Government Code Section 31000 to contract for these services.

NOW, THEREFORE, the parties hereto agree as follows:

1. TERM: The term of this Agreement shall be effective upon date of execution by both parties, but no sooner than Board approval, and unless sooner canceled or terminated as provided herein, and shall continue in full force and effect through June 30, 2010, or for a period of not less than three (3) months, with a provision for the continuation of program services, effective upon completion of the initial term

through June 30, 2011, contingent upon DPH's assessment of program effectiveness, and at the sole discretion of the Director.

In any event, this Agreement may be canceled or terminated at any time by either party, with or without cause, upon the giving of at least thirty (30) calendar days advance written notice to the other. Further, County may also suspend the performance of services hereunder, in whole or in part, upon the giving of at least thirty (30) calendar days advance written notice to Contractor. County's notice shall set forth the extent of the suspension and the requirements for full restoration of the performance obligations.

Notwithstanding any other provision of this Agreement, the failure of Contractor or its officers, employees, or agents to comply with any of the terms of this Agreement or any written directives by or on behalf of County issued pursuant hereto, shall constitute a material breach hereto, and this Agreement may be terminated by County immediately. County's failure to exercise this right of termination shall not constitute a waiver of such right, which may be exercised at any subsequent time.

2. DESCRIPTION OF SERVICES:

A. Contractor shall provide services in the manner and form as described in the body of this Agreement and in Exhibit "A", Description of Services, which is attached hereto and incorporated herein by reference.

B. Contractor acknowledges that the quality of service (s) provided under this Agreement shall be at least equivalent to that which Contractor provides to all the other clients it serves.

3. MAXIMUM OBLIGATION OF COUNTY:

During the period effective upon date of execution by both parties, but no sooner than Board approval, through June 30, 2010, or for a period of not less than three (3) months, the maximum obligation of County for all services provided under this Agreement shall not exceed One Hundred Thousand Dollars (\$ 100,000), thereafter with a provision for the continuation of program services, effective upon completion of the initial term through June 30, 2011, contingent upon DPH's assessment of program effectiveness, and at the sole discretion of the Director. Contractor shall use such funds only to pay for services as set forth in "Schedule 1", attached hereto and incorporated herein by reference, and only to the extent such funds are reimbursable to County by its grantees. The County shall only be obligated to pay Contractor for actual reimbursable costs, as listed in Schedule 1, incurred by Contractor in performing services pursuant to this Agreement.

4. NONEXCLUSIVITY: Contractor acknowledges that is not the exclusive provider to County of certified needle exchange program services, and the County has, or intends to enter into agreements (i.e., contracts) with other providers to provide certified needle exchange program services, or may perform all or part of such services, when possible, using County employees.

5. BILLING AND PAYMENT:

A. County agrees to compensate Contractor in accordance with the payment structure set forth in Exhibit A, Description of Services, and Schedule 1, attached hereto and incorporated herein by reference.

B. Contractor shall bill DPH monthly in arrears for all services provided by Contractor at its County approved site and service area, during the preceding

calendar month. Contractor further shall submit billings according to the terms set forth in the payment requirements paragraph of said Exhibit.

C. Payment by County hereunder shall be made within a reasonable period of time after receipt of a billing statement which is deemed to be complete and correct by each DPH's Expenditure Management Division.

D. In no event shall County be required to pay Contractor more than the maximum obligation of County as set forth in MAXIMUM OBLIGATION OF COUNTY Paragraph of this Agreement unless otherwise revised or amended under the terms of this Agreement.

E. Contractor Budget and Expenditures Reduction Flexibility: In order for County to maintain flexibility with regards to budget and expenditure reductions, Contractor agrees that Director may cancel this Agreement, without cause, upon the giving of thirty (30) calendar days written notice to Contractor; or notwithstanding, Alteration of Terms paragraph, of this Agreement, Director may, consistent with federal, State, and/or County budget reductions, renegotiate the scope/description of work, maximum obligation, and budget of this Agreement via an Administrative Amendment, as mutually agreed to and executed by the parties therein.

6. FUNDING/SERVICES ADJUSTMENTS AND REALLOCATIONS:

If sufficient monies are available from federal, State, or County funding sources, and upon Director's or his authorized designee's specific written approval, County may require additional services and pass on to Contractor an increase to the applicable County maximum obligation as payment for such services, as determined by County.

For the purposes of this provision, Director's authorized designee shall be the Chief Deputy Director, Public Health or his designee. If monies are reduced by federal, State, or County funding sources, County may also decrease the applicable County maximum obligation as determined by County. Such funding changes will not be retroactive, but will apply to future services following the provision of written notice from Director to Contractor. If such increase or decrease does not exceed twenty-five percent (25%) of the applicable County maximum obligation, Director may approve such funding changes. Director shall provide prior written notice of such funding changes to Contractor and to County's Chief Executive Officer. If the increase or decrease exceeds twenty-five percent (25%) of the applicable County maximum obligation, approval by County's Board of Supervisors shall be required. Any such change in any County maximum obligation shall be effected by an amendment to this Agreement pursuant to the ALTERATION OF TERMS Paragraph of this Agreement.

County and Contractor shall review Contractor's expenditures and commitments to utilize any funds, which are specified in this Agreement for the services hereunder and which are subject to time limitations as determined by Director, midway through each County fiscal year during the term of this Agreement, midway through the applicable time limitation period for such funds if such period is less than a County fiscal year, and/or at any other time or times during each County fiscal year as determined by Director. At least fifteen (15) calendar days prior to each such review, Contractor shall provide Director with a current update of all of Contractor's expenditures and commitments of such funds during such County fiscal year or other applicable time period.

If County determines from reviewing Contractor's records of service delivery and billings to County that a significant underutilization of funds provided under this Agreement will occur over its term, Director or County's Board of Supervisors may reduce the applicable County maximum obligation for services provided hereunder and reallocate such funds to other providers. Director may reallocate a maximum of twenty-five percent (25%) of the applicable County maximum obligation or One Hundred Thousand Dollars (\$100,000), whichever is greater. Director shall provide written notice of such reallocation to Contractor and to County's Chief Executive Officer. Reallocation of funds in excess of the aforementioned amounts shall be approved by County's Board of Supervisors. Any such change in any County maximum obligation shall be effected by an amendment to this Agreement pursuant to the ALTERATION OF TERMS Paragraph of this Agreement.

7. BUDGET REDUCTION: In the event that the County's Board of Supervisors adopts, in any fiscal year, a County Budget which provides for reductions in the salaries and benefits paid to the majority of County employees and imposes similar reductions with respect to County Contracts, the County reserves the right to reduce its payment obligation under this Agreement correspondingly for that fiscal year and any subsequent fiscal year during the term of this Agreement (including any extensions), and the services to be provided by the Contractor under this Agreement shall also be reduced correspondingly. The County's notice to the Contractor regarding said reduction in payment obligation shall be provided within thirty (30) calendar days of the Board's approval of such actions. Except as set forth in the preceding sentence, the Contractor shall continue to provide all of the services set forth in this Agreement.

8. COUNTY'S OBLIGATION FOR FUTURE FISCAL YEARS:

Notwithstanding any other provisions of this Agreement, County shall not be obligated for certified needle exchange program services performed hereunder, or by any provisions of this Agreement, during any of County's fiscal years (July 1 - June 30) unless and until County's Board of Supervisors appropriates funds for this Agreement in County's budget for each such fiscal year. In the event that funds are not appropriated for this Agreement, then this Agreement shall be deemed to have terminated on June 30th of the last County fiscal year for which funds were appropriated. County shall notify Contractor in writing of such non-appropriation of funds at the earliest possible date. If for any reason the funding which funds this Agreement is terminated or reduced, County shall have the right to immediately terminate this Agreement in whole or in part. Notice of such termination shall be served upon Contractor in writing.

9. NO PAYMENT FOR SERVICES PROVIDED FOLLOWING EXPIRATION/TERMINATION OF AGREEMENT: Contractor shall have no claim against County for the payment of any monies, or reimbursements of any kind whatsoever, for any service provided by Contractor after the expiration or other termination of this Agreement. Should Contractor receive any such payment, it shall immediately notify County and shall immediately repay all such funds to County. Payment by County for services rendered after expiration/termination of this Agreement shall not constitute a waiver of County's right to recover such payments from Contractor. This provision shall survive the expiration or other termination of this Agreement.

10. INDEMNIFICATION: Contractor shall indemnify, defend, and hold harmless County and its Special Districts, elected and appointed officers, employees,

and agents, from and against any and all liability, including but not limited to demands, claims, actions, fees, costs, and expenses (including attorney and expert witness fees), arising from or connected with Contractor's acts and/or omissions arising from and/or relating to this Agreement.

11. GENERAL PROVISIONS FOR ALL INSURANCE COVERAGES: Without limiting Contractor's indemnification of County and in the performance of this Agreement and until all of its obligations pursuant to this Agreement have been met, Contractor shall provide and maintain at its own expense insurance coverage satisfying the requirements specified in Paragraphs 11 and 12 of this Agreement. These minimum insurance coverage terms, types and limits (the "Required Insurance") also are in addition to and separate from any other contractual obligation imposed upon Contractor pursuant to this Agreement. The County in no way warrants that the Required Insurance is sufficient to protect the Contractor for liabilities which may arise from or relate to this Agreement.

A. Evidence of Coverage and Notice to County: Certificate(s) of insurance coverage (Certificate) satisfactory to County, and a copy of an Additional Insured endorsement confirming County and its Agents (defined below) has been given Insured status under the Contractor's General Liability policy, shall be delivered to County at the address shown below and provided prior to commencing services under this Agreement.

Renewal Certificates shall be provided to County not less than 10 days prior to Contractor's policy expiration dates. The County reserves the right to

obtain complete, certified copies of any required Contractor and/or subcontractor insurance policies at any time.

Certificates shall identify all Required Insurance coverage types and limits specified herein, reference this Agreement by name or number, and be signed by an authorized representative of the insurer(s). The Insured party names on the Certificate shall match the name of the Contractor identified as the contracting party in this Agreement. Certificates shall provide the full name of each insurer providing coverage, its National Association of Insurance Commissioners (NAIC) identification number, its financial rating, the amounts of any policy deductibles or self-insured retentions exceeding Fifty Thousand Dollars (\$50,000), and list any County required endorsement forms.

Neither the County's failure to obtain, nor County's receipt of, or failure to object to a non-complying insurance certificate or endorsement, or any other insurance documentation or information provided by the Contractor, its insurance broker(s) and/or insurer(s), shall be construed as a waiver of any of the Required Insurance provisions.

Certificates and copies of any required endorsements shall be delivered to:

**County of Los Angeles
Department of Public Health
Contracts & Grants Division
313 North Figueroa Street, 6 Floor West
Los Angeles, California 90012
Attention: Insert the name**

Contractor also shall promptly report to County any injury or property damage accident or incident, including any injury to a Contractor employee occurring on county property, and any loss, disappearance, destruction, misuse, or theft of County property, monies or securities entrusted to Contractor.

Contractor also shall promptly notify County of any third party claim or suit filed against Contractor or any of its subcontractors which arises from or relates to this Agreement, and could result in the filing of a claim or lawsuit against Contractor and/or County.

B. Additional Insured Status and Scope of Coverage: The County of Los Angeles, its Special Districts, Elected Officials, Officers, Agents, Employees and Volunteers (collectively County and its Agents) shall be provided additional insured status under Contractor's General Liability policy with respect to liability arising out of Contractor's ongoing and completed operations performed on behalf of the County. County and its Agents additional insured status shall apply with respect to liability and defense of suits arising out of the Contractor's acts or omissions, whether such liability is attributable to the Contractor or to the County. The full policy limits and scope of protection also shall apply to the County and its Agents as an additional insured, even if they exceed the County's minimum Required Insurance specifications herein. Use of an automatic additional insured endorsement form is acceptable providing it satisfies the Required Insurance provisions herein.

C. Cancellation of Insurance: Except in the case of cancellation for non-payment of premium, Contractor's insurance policies shall provide, and

Certificates shall specify, that County shall receive not less than thirty (30) days advance written notice by mail of any cancellation of the Required Insurance. Ten (10) days prior notice may be given to County in event of cancellation for non-payment of premium.

D. Failure to Maintain Insurance: Contractor's failure to maintain or to provide acceptable evidence that it maintains the Required Insurance shall constitute a material breach of this Agreement, upon which County immediately may withhold payments due to Contractor, and/or suspend or terminate this Agreement. County, at its sole discretion, may obtain damages from Contractor resulting from said breach.

E. Insurer Financial Ratings: Insurance coverage shall be placed with insurers acceptable to the County with an A.M. Best rating of not less than A:VII unless otherwise approved by County.

F. Contractor's Insurance Shall Be Primary: Contractor's insurance policies, with respect to any claims relates to this Agreement, shall be primary with respect to all other sources of coverage available to Contractor. Any County maintained insurance or self-insurance coverage shall be in excess of and not contribute to any Contractor coverage.

G. Waivers of Subrogation: To the fullest extent permitted by law, the Contractor hereby waives its rights and its insurer(s') rights of recovery against County under all the Required Insurance for any loss arising from or relating to this Agreement. The Contractor shall require its insurers to execute any waiver of subrogation endorsements which may be necessary to effect such waiver.

I. Subcontractor Insurance Coverage Requirements: Contractor shall include all subcontractors as insured under Contractor's own policies, or shall provide County with each subcontractor's separate evidence of insurance coverage. Contractor shall be responsible for verifying each subcontractor complies with the Required Insurance provisions herein, and shall require that each subcontractor name the County and Contractor as additional insured on the subcontractor's General Liability policy. Contractor shall obtain County's prior review and approval of any subcontractor request for modification of the Required Insurance.

J. Deductibles and Self-Insured Retentions (SIRs): Contractor's policies shall not obligate the County to pay any portion of any Contractor deductible or SIR. The County retains the right to require Contractor to reduce or eliminate policy deductibles and SIRs as respects the County, or to provide a bond guaranteeing Contractor's payment of all deductibles and SIRs, including all related claims investigation, administration and defense expenses. Such bond shall be executed by a corporate surety licensed to transact business in the State of California.

K. Claims Made Coverage: If any part of the Required Insurance is written on a claim made basis, any policy retroactive date shall precede the effective date of this Agreement. Contractor understands and agrees it shall maintain such coverage for a period of not less than three (3) years following Contract expiration, termination or cancellation.

L. Application of Excess Liability Coverage: Contractors may use a combination of primary, and excess insurance policies which provide coverage as broad as (“follow form” over) the underlying primary policies, to satisfy the Required Insurance provisions.

M. Separation of Insureds: All liability policies shall provide cross-liability coverage as would be afforded by the standard ISO (Insurance Services Office, Inc.) separation of insureds provision with no insured versus insured exclusions or limitations.

N. Alternative Risk Financing Programs: The County reserves the right to review, and then approve, Contractor use of self-insurance, risk retention groups, risk purchasing groups, pooling arrangements and captive insurance to satisfy the Required Insurance provisions. The County and its Agents shall be designated as an Additional Covered Party under any approved program.

O. County Review and Approval of Insurance Requirements: The County reserves the right to review and adjust the Required Insurance provisions, conditioned upon County’s determination of changes in risk exposures.

12. INSURANCE COVERAGE REQUIREMENTS:

A. Commercial General Liability Insurance (providing scope of coverage equivalent to ISO policy form CG 00 01), naming County and its Agents as an additional insured, with limits of not less than the following:

General Aggregate:	\$2 Million
Products/Completed Operations Aggregate:	\$1 Million

Personal and Advertising Injury:	\$1 Million
Each Occurrence:	\$1 Million

Such coverage also shall cover liability arising from any actual or alleged infringement of any patent or copyright, or other property rights of any third party. The policy also shall be endorsed to provide media liability coverage for claims arising out of Contractor's placement of print and audiovisual media.

Alternatively, Contractor may provide such media liability coverage under a separate policy or through Contractor's errors and omissions policy.

B. Automobile Liability Insurance (providing scope of coverage equivalent to ISO policy form CA 00 01) with limits of not less than \$1 Million for bodily injury and property damage, in combined or equivalent split limits, for each single accident. Insurance shall cover liability arising out of Contractor's use of autos pursuant to this Agreement, including "owned", "leased", "hired" and/or "non-owned" vehicles, or coverage for "any auto", as each may be applicable.

C. Workers Compensation and Employers' Liability: Insurance or qualified self-insurance satisfying statutory requirements, which includes Employers' Liability coverage with limits of not less than \$1 million per accident. If Contractor will provide leased employees, or, is an employee leasing or temporary staffing firm or a professional employer organization (PEO), coverage also shall include an Alternate Employer Endorsement (providing scope of coverage equivalent to ISO policy form WC 00 03 01 A) naming the County as the Alternate Employer, and the endorsement form shall be modified to provide that County will receive not less than thirty (30) days advance written notice of

cancellation of this coverage provision. If applicable to Contractor's operations, coverage also shall be arranged to satisfy the requirements of any federal workers or workmen's compensation law or any federal occupational disease law.

D. Professional Liability/Errors Omissions Insurance: Insurance covering Contractor's liability arising from or related to this Agreement, with limits of not less than \$1 Million per occurrence and/or claim and \$2 Million aggregate. Further, Contractor understands and agrees it shall maintain such coverage for a period of not less than three (3) years following this Agreement's expiration, termination or cancellation.

13. ASSIGNMENT AND DELEGATION:

A. Contractor shall not assign its rights or delegate its duties under this Agreement, or both, whether in whole or in part, without prior written consent of County, in its discretion, and any attempted assignment or delegation without such prior County consent shall be null and void. For purposes of this Subparagraph, County consent shall require a written amendment to this Agreement which is formally approved and executed by the parties. Any payments by County to any approved assignee or delegate on any claim under this Agreement shall be deductible, at County's sole discretion, against the claims, which Contractor may have against County.

B. Shareholders, partners, members, or other equity holders of Contractor may transfer, sell, exchange, assign, or divest themselves of any interest they may have therein. However, in the event any such transfer, sale,

exchange, assignment, or divestment is effected in such way as to give majority control of Contractor to any person(s), corporation, partnership, or legal entity other than the majority controlling interest therein at the time of execution of this Agreement, such disposition is an assignment requiring the prior written consent of County in accordance with applicable provisions of this Agreement.

C. Any assumption, assignment, delegation, or takeover of any of Contractor's duties, responsibilities, obligations, or performance of same by any entity other than Contractor, whether through assignment, delegation, subcontract, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever without County's express prior written approval, shall be a material breach of this Agreement which may result in the termination of this Agreement. In the event of such termination, County shall be entitled to pursue the same remedies against Contractor as it could pursue in the event of default by Contractor.

14. SUBCONTRACTING:

A. For purposes of this Agreement, all subcontracts must first be approved in writing by Director. Contractor's written request to Director for approval to enter into a subcontract shall be made at least thirty (30) calendar days prior to the subcontractor's proposed effective date, and shall include:

- (1) Identification of the proposed subcontractor, (who shall be licensed as appropriate for provision of subcontract services), and an explanation of why and how the proposed subcontractor was selected, including the degree of competition involved.

(2) A detailed description of the services to be provided by the subcontract.

(3) The proposed subcontract amount and manner of compensation, if any, together with Contractor's cost or price analysis thereof.

(4) A copy of the proposed subcontract. Any later modification of such subcontract shall take the form of a formally written subcontract amendment which also must be approved in writing by Director in the same manner as described above, before such amendment is effective.

(5) Any other information and/or certification(s) requested by Director.

B. Director shall review Contractor's request to subcontract and shall determine, in his/her sole discretion, whether or not to consent to such a request on a case-by-case basis.

C. At least thirty (30) calendar days prior to the subcontract's proposed effective date, Contractor shall submit for review and approval to Director, a copy of the proposed subcontract instrument. With the Director's written approval of the subcontract instrument, the subcontract may proceed.

D. Subcontracts shall be made in the name of Contractor and shall not bind nor purport to bind County. The making of subcontracts hereunder shall not relieve Contractor of any requirements under this Agreement, including, but not limited to, the duty to properly supervise and coordinate the work of subcontractors.

Further, Director's approval of any subcontract shall also not be construed to limit in any way, any of County's rights or remedies contained in this Agreement.

E. In the event that Director consents to any subcontracting, Contractor shall be solely liable and responsible for any and all payments or other compensation to all subcontractors, and their officers, employees, and agents.

F. In the event that County consents to any subcontracting, such consent shall be subject to County's right to give prior and continuing approval of any and all subcontractor personnel providing services under such subcontract. Contractor shall assure that any subcontractor personnel not approved by County shall be immediately removed from the provision of any services under the particular subcontract or that another action is taken, as requested by County.

G. In the event that County consents to any subcontracting, such consent shall be subject to County's right to terminate, in whole or in part, any subcontract at any time upon written notice to Contractor when such action is deemed by County to be in its best interest. County shall not be liable or responsible in any way to Contractor, or any subcontractor, or to any officers, employees, or agents, of Contractor, or any subcontractor, for any liability, damages, costs, or expenses, arising from or related to County's exercising of such a right.

H. Contractor shall deliver to Director a fully executed copy of each subcontract entered into by Contractor, as it pertains to the provision of services

under this Agreement, on or immediately after the effective date of the subcontract, but in no event, later than the date any services are to be performed under the subcontract.

I. Director is hereby authorized to act for and on the behalf of County pursuant to this Paragraph, including but not limited to, consenting to any subcontracting.

15. COMPLIANCE WITH APPLICABLE LAW:

A. In the performance of this Agreement, Contractor shall comply with all applicable federal, State and local laws, rules, regulations, ordinances, directives, guidelines, policies and procedures, and all provisions required thereby to be included in this Agreement are hereby incorporated herein by reference. To the extent there is any conflict between federal and State or local laws, the former shall prevail.

B. Contractor shall indemnify, defend, and hold harmless County, its officers, employees, and agents, from and against any and all claims, demands, damages, liabilities, losses, costs, and expenses, including, without limitation, defense costs and legal, accounting and other expert, consulting or professional fees, arising from, connected with, or related to any failure by Contractor, its officers, employees, agents, or subcontractors, to comply with any such laws, rules, regulations, ordinances, directives, guidelines, policies, or procedures, as determined by County in its sole judgment. Any legal defense pursuant to Contractor's indemnification obligations under this Paragraph 15 and Paragraph 10 shall be conducted by Contractor and performed by counsel selected by

Contractor and approved by County. Notwithstanding the preceding sentence, County shall have the right to participate in any such defense at its sole cost and expense, except that in the event Contractor fails to provide County with a full and adequate defense, as determined by County in its sole judgment, County shall be entitled to retain its own counsel, including, without limitation, County Counsel, and reimbursement from Contractor for all such costs and expenses incurred by County in doing so. Contractor shall not have the right to enter into any settlement, agree to any injunction or other equitable relief, or make any admission, in each case, on behalf of County without County's prior written approval.

C. The County reserves the right to review and adjust the Required Insurance provisions, conditioned upon County's determination of changes in risk exposures.

16. ADDITIONAL PROVISIONS: Attached hereto and incorporated by reference, is a document labeled "ADDITIONAL PROVISIONS", of which the terms and conditions therein contained are part of this Agreement.

17. CONSTRUCTION: To the extent there are any rights, duties, obligations, or responsibilities enumerated in the recitals or otherwise in this Agreement, they shall be deemed a part of the operative provisions of this Agreement and are fully binding upon the parties.

18. CONFLICT OF TERMS: : To the extent there exists any conflict between the language of this Agreement (including its ADDITIONAL PROVISIONS) and that of any of the Exhibit(s), Attachment(s), Schedule(s), and any other documents

incorporated herein by reference attached hereto, the language in this Agreement shall govern and prevail.

19. ALTERATION OF TERMS: This Agreement (including its ADDITIONAL PROVISIONS), and any Exhibit(s), Attachment(s), Schedule(s), and any other documents incorporated herein by reference attached hereto, fully expresses all understandings of the parties concerning all matters covered and shall constitute the total Agreement. No addition to, or alteration of, the terms of this Agreement, whether by written or verbal understanding of the parties, their officers, agents or employees, shall be valid and effective unless made in the form of a written amendment to this Agreement which is formally approved and executed by the parties in the same manner as this Agreement.

20. CONTRACTOR'S OFFICES: Contractor's primary business office is located at _____, CITY, California, ZIPCODE. Contractor's primary business telephone number is (###) ###-#### facsimile/FAX number is (###) ###-#####, and electronic mail ("e-mail") address is _____@_____. Contractor shall notify County, in writing, of any changes made to Contractor's primary business address, business telephone number, facsimile/FAX number, and/or e-mail address, as listed herein, or any other business address, business telephone number, facsimile/FAX number, and/or e-mail address used in the provision of services herein, at least ten (10) calendar days prior to the effective date(s) thereof.

21. NOTICES: Any and all notices required, permitted, or desired to be given hereunder by one party to the other shall be in writing and shall be delivered to the other party personally or by United States mail, certified or registered, postage prepaid, return

receipt requested, to the parties at the following addresses and to the attention of the person named. Director shall have the authority to issue (execute) all notices which are required or permitted by County hereunder. Addresses and persons to be notified may be changed by the parties by giving at least (10) calendar days prior written notice thereof to the parties:

A. Notices to County shall be addressed as follows:

- (1) Department Public Health
Public Health Director's Office
313 North Figueroa Street, Room 806
Los Angeles, California 90012-2659

Attention: Chief of Staff

- (2) Department Public Health
Contracts and Grants Division
313 North Figueroa Street, Room 601
Los Angeles, California 90012-2659

Attention: Division Chief

B. Notices to Contractor shall be addressed as follows:

- (1) Contractor Agency Name
Address
City, State ZIP

Attention: Contact Name
 Title

/

/

/

/

/

/

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Agreement to be subscribed by its Director of Public Health, and Contractor has caused this Agreement to be subscribed in its behalf by its duly authorized officer, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By _____
Jonathan E. Fielding, M.D., M.P.H.
Director and Health Officer

CONTRACTOR AGENCY NAME
Contractor

By _____
Signature

Print Name

Title _____
(AFFIX CORPORATE SEAL HERE)

APPROVED AS TO FORM
BY THE OFFICE OF THE COUNTY COUNSEL
ROBERT E. KALUNIAN
County Counsel

APPROVED AS TO CONTRACT
ADMINISTRATION:

Department of Public Health

By _____
Patricia Gibson, Acting Chief
Contracts and Grants Division

AGENCY NAME -

ADDITIONAL PROVISIONS

DEPARTMENT OF PUBLIC HEALTH

CERTIFIED NEEDLE EXCHANGE PROGRAM SERVICES AGREEMENT

Rev 10/08/08

HOA.672704.1

ADDITIONAL PROVISIONS

CERTIFIED NEEDLE EXCHANGE PROGRAM SERVICES AGREEMENT

TABLE OF CONTENTS

<u>Paragraph</u>	<u>Page</u>
1. ADMINISTRATION	1
2. FORM OF BUSINESS ORGANIZATION AND FISCAL DISCLOSURE	1
3. NONDISCRIMINATION IN SERVICES	3
4. NONDISCRIMINATION IN EMPLOYMENT	4
5. FAIR LABOR STANDARDS ACT	7
6. EMPLOYMENT ELIGIBILITY VERIFICATION	7
7. STAFFING AND STAFF DEVELOPMENT	8
8. INDEPENDENT CONTRACTOR STATUS	9
9. CONTRACTOR'S WILLINGNESS TO CONSIDER COUNTY'S EMPLOYEES FOR EMPLOYMENT	10
10. CONSIDERATION OF HIRING GAIN/GROW PROGRAM PARTICIPANTS FOR EMPLOYMENT	11
11. STAFF PERFORMANCE OF SERVICES WHILE UNDER THE INFLUENCE	11
12. RECORDS AND AUDITS	11
13. REPORTS	16
14. CONFIDENTIALITY	17
15. CONTRACTOR'S OBLIGATIONS AS A NON-BUSINESS ASSOCIATE UNDER THE HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996 ("HIPAA")	17

<u>Paragraph</u>	<u>Page</u>
16. PUBLIC ANNOUNCEMENTS AND LITERATURE	18
17. COUNTY'S QUALITY ASSURANCE PLAN	20
18. RESTRICTIONS ON LOBBYING	20
19. UNLAWFUL SOLICITATION	21
20. CONFLICT OF INTEREST	21
21. BOARD OF DIRECTORS	22
22. LICENSES, PERMITS, REGISTRATIONS, ACCREDITATIONS, CERTIFICATES	23
23. PURCHASES	24
24. RETURN OF COUNTY MATERIALS	26
25. SERVICE DELIVERY SITE - MAINTENANCE STANDARDS	26
26. TERMINATION FOR INSOLVENCY, DEFAULT, GRATUITIES, AND/OR IMPROPER CONSIDERATIONS AND CONVENIENCE	27
27. CONTRACTOR'S PERFORMANCE DURING CIVIL UNREST OR DISASTER	31
28. NOTICE OF DELAYS	31
29. RESOLICITATION OF BIDS OR PROPOSALS	32
30. CONTRACTOR'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM	32
31. CONSTRUCTION	34
32. GOVERNING LAWS, JURISDICTION, AND VENUE	34

<u>Paragraph</u>	<u>Page</u>
33. WAIVER	34
34. SEVERABILITY	35
35. CONTRACTOR'S EXCLUSION FROM PARTICIPATION IN A FEDERALLY FUNDED PROGRAM	35
36. NOTICE TO EMPLOYEES REGARDING THE FEDERAL EARNED INCOME CREDIT	36
37. CONTRACTOR RESPONSIBILITY AND DEBARMENT	36
38. USE OF RECYCLED-CONTENT PAPER	39
39. COMPLIANCE WITH JURY SERVICE PROGRAM	40
40. CONTRACTOR'S ACKNOWLEDGEMENT OF COUNTY'S COMMITMENT TO CHILD SUPPORT	42
41. NOTICE TO EMPLOYEES REGARDING THE SAFELY SURRENDERED BABY LAW	43
42. CONTRACTOR'S ACKNOWLEDGMENT OF COUNTY'S COMMITMENT TO THE SAFELY SURRENDERED BABY LAW	43
43. COPYRIGHTS/RIGHTS IN DATA	44
44. RULES AND REGULATIONS	45

ADDITIONAL PROVISIONS

DEPARTMENT OF PUBLIC HEALTH CERTIFIED NEEDLE EXCHANGE PROGRAM SERVICES AGREEMENT

1. ADMINISTRATION: County's Director of Public Health or his/her authorized designee(s) (hereafter collectively "Director") shall have the authority to administer this Agreement on behalf of County. Contractor agrees to extend to Director the right to review and monitor Contractor's programs, policies, procedures, and financial and/or other records, and to inspect its facilities, or work areas, for contractual compliance at any reasonable time.

2. FORM OF BUSINESS ORGANIZATION AND FISCAL DISCLOSURE:

A. Form of Business Organization: Contractor shall prepare and submit to Director upon request, a statement executed by Contractor's duly constituted officers or Board of Directors, containing the following information with supportive documentation:

- (1) The form of Contractor's business organization, i.e., sole proprietorship, partnership, or corporation.
- (2) Articles of Incorporation and By-Laws.
- (3) A detailed statement indicating whether Contractor is totally or substantially owned by another business organization (i.e. another legal entity or parent corporation).

(4) Board Minutes identifying who is authorized on behalf of Contractor to conduct business, make commitments, and enter into binding Agreements with the County.

(5) A detailed statement indicating whether Contractor totally or partially owns any other business organization that will be providing services, supplies, materials, or equipment to Contractor or in any manner does business with Contractor under this Agreement.

(6) If, during the term of this Agreement, the form of Contractor's business organization changes, or the ownership of Contractor changes, or the Contractor's ownership of other businesses dealing with Contractor under this Agreement changes, Contractor shall notify Director in writing detailing such changes within thirty (30) calendar days prior to the effective date thereof.

B. Fiscal Disclosure: Contractor shall prepare and submit to Director, within ten (10) calendar days following execution of this Agreement, a statement executed by Contractor's duly constituted officers, containing the following information:

(1) A detailed statement listing all sources of funding to Contractor including private contributions. The statement shall include the nature of the funding, services to be provided, total dollar amount, and period of time of such funding.

(2) If during the term of this Agreement, the source(s) of Contractor's funding changes, Contractor shall promptly notify the Director in writing detailing such changes.

C. Real Property Disclosure: If Contractor is renting, leasing, or subleasing, or is planning to rent, lease, or sublease, any real property where persons are to receive services hereunder, Contractor shall prepare and submit to DPH, within ten (10) calendar days following execution of this Agreement, an affidavit sworn to and executed by Contractor's duly constituted officers, containing the following information:

(1) The location by street address and city of any such real property.

(2) The fair market value of any such real property as such value is reflected on the most recently issued County Tax Collector's tax bill.

(3) A detailed description of all existing and pending rental agreements, leases, and subleases with respect to any such real property, such description to include: the term (duration) of such rental agreement, lease, or sublease; the amount of monetary consideration to be paid to the lessor or sublessor over the term of the rental agreement, lease or sublease; the type and dollar value of any other consideration to be paid to the lessor or sublessor over the term of the rental agreement, lease or sublease; the full names and addresses of all parties who stand in the

position of lessor or sublessor; if the lessor or sublessor is a private corporation and its shares are not publicly traded (on a stock exchange or over-the-counter), a listing by full names of all officers, directors, and stockholders thereof; and if the lessor or sublessor is a partnership, a listing by full names of all general and limited partners thereof.

(4) A listing by full names of all Contractor's officers, directors, members of its advisory boards, members of its staff and consultants, who have any family relationships by marriage or blood with a lessor or sublessor referred to in Subparagraph (3) immediately above, or who have any financial interest in such lessor's or sublessor's business, or both. If such lessor or sublessor is a corporation or partnership, such listing shall also include the full names of all Contractor's officers, members of its advisory boards, members of its staff and consultants, who have any family relationship, by marriage or blood, to an officer, director, or stockholder of the corporation, or to any partner of the partnership. In preparing the latter listing, Contractor shall also indicate the name(s) of the officer(s), director(s), stockholder(s), or partner(s), as appropriate, and the family relationship which exists between such person(s) and Contractor's representatives listed.

(5) If a facility of Contractor is rented or leased from a parent organization or individual who is a common owner (as defined by Federal Health Insurance Manual 15, Chapter 10, Paragraph 1002.2), Contractor

shall only charge the program for costs of ownership. Costs of ownership shall include depreciation, interest, and applicable taxes.

True and correct copies of all written rental agreements, leases, and subleases with respect to any such real property shall be appended to such affidavit and made a part thereof.

3. NONDISCRIMINATION IN SERVICES: Contractor shall not discriminate in the provision of services hereunder because of race, color, religion, national origin, ethnic group identification, ancestry, sex, age, or condition of physical or mental handicap, in accordance with requirements of federal and State laws, or in any manner on the basis of the client's/ patient's sexual orientation. For the purpose of this Paragraph, discrimination in the provision of services may include, but is not limited to, the following: denying any person any service or benefit or the availability of the facility; providing any service or benefit to any person which is not equivalent, or is provided in a non-equivalent manner, or at a non-equivalent time, from that provided to others; subjecting any person to segregation or separate treatment in any manner related to the receipt of any service; restricting any person in any way in the enjoyment of any advantage or privilege enjoyed by others receiving any service or benefit; and treating any person differently from others in determining admission, enrollment quota, eligibility, membership, or any other requirements or conditions which persons must meet in order to be provided any service or benefit. Contractor shall take affirmative action to ensure that intended beneficiaries of this Agreement are provided services without regard to

race, color, religion, national origin, ethnic group identification, ancestry, sex, age, condition of physical or mental handicap, or sexual orientation.

Facility access for handicapped must comply with the Rehabilitation Act of 1973, Section 504, where federal funds are involved, and Title III of the federal Americans with Disabilities Act of 1990.

Contractor shall further establish and maintain written procedures under which any person, applying for or receiving services hereunder, may seek resolution from Contractor of a complaint with respect to any alleged discrimination in the provision of services by Contractor's personnel. Such procedures shall also include a provision whereby any such person, who is dissatisfied with Contractor's resolution of the matter, shall be referred by Contractor to the Director for the purpose of presenting his or her complaint of alleged discrimination. Such procedures shall also indicate that if such person is not satisfied with County's resolution or decision with respect to the complaint of alleged discrimination, he or she may appeal the matter to the State Department of Public Health' Affirmative Action Division. At the time any person applies for services under this Agreement, he or she shall be advised by Contractor of these procedures.

A copy of such procedures, as identified hereinabove, shall be posted by Contractor in a conspicuous place, available and open to the public, in each of Contractor's facilities where services are provided hereunder.

4. NONDISCRIMINATION IN EMPLOYMENT:

- A. Contractor certifies and agrees, pursuant to the Americans with Disabilities Act, the Rehabilitation Act of 1973, and all other federal and State

laws, as they now exist or may hereafter be amended, that it shall not discriminate against any employee or applicant for employment because of, race, color, religion, national origin, ethnic group identification, ancestry, sex, age, or condition of physical or mental handicap, or sexual orientation. Contractor shall take affirmative action to ensure that qualified applicants are employed, and that employees are treated during employment, without regard to race, color, religion, national origin, ethnic group identification, ancestry, sex, age, condition of physical or mental handicap, or sexual orientation in accordance with requirements of federal and State laws. Such action shall include, but shall not be limited to the following: employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. Contractor shall post in conspicuous places in each of Contractor's facilities providing services hereunder, positions available and open to employees and applicants for employment, and notices setting forth the provisions of this Paragraph.

B. Contractor shall, in all solicitations or advertisements for employees placed by or on behalf of Contractor, state that all qualified applicants shall receive consideration for employment without regard to race, color, religion, national origin, ethnic group identification, ancestry, sex, age, condition of physical or mental handicap, or sexual orientation, in accordance with requirements of federal and State laws.

C. Contractor shall send to each labor union or representative of workers with which it has a collective bargaining Agreement or other contract of understanding a notice advising the labor union or workers' representative of Contractor's commitments under this Paragraph.

D. Contractor certifies and agrees that it shall deal with its subcontractors, bidders, or vendors without regard to race, color, religion, national origin, ethnic group identification, ancestry, sex, age, condition of physical or mental handicap, or sexual orientation, in accordance with requirements of federal and State laws.

E. Contractor shall allow federal, State, and County representatives, duly authorized by Director, access to its employment records during regular business hours in order to verify compliance with the anti-discrimination provisions of this Paragraph. Contractor shall provide such other information and records as such representatives may require in order to verify compliance with the anti-discrimination provisions of this Paragraph.

F. If County finds that any provisions of this Paragraph have been violated, the same shall constitute a material breach of contract upon which Director may suspend or County may determine to terminate this Agreement. While County reserves the right to determine independently that the anti-discrimination provisions of this Agreement have been violated, in addition, a determination by the California Fair Employment Practices Commission or the federal Equal Employment Opportunity Commission that Contractor has violated

federal or State anti-discrimination laws shall constitute a finding by County that Contractor has violated the anti-discrimination provisions of this Agreement.

G. The parties agree that in the event Contractor violates any of the anti-discrimination provisions of this Paragraph, County shall be entitled, at its option, to the sum of Five Hundred Dollars (\$500) pursuant to California Civil Code Section 1671 as liquidated damages in lieu of canceling, terminating, or suspending this Agreement.

5. FAIR LABOR STANDARDS ACT: Contractor shall comply with all applicable provisions of the federal Fair Labor Standards Act, and shall indemnify, defend, and hold harmless County, its agents, officers, and employees from any and all liability including, but not limited to, wages, overtime pay, liquidated damages, penalties, court costs, and attorneys' fees arising under any wage and hour law including, but not limited to, the federal Fair Labor Standards Act for services performed by Contractor's employees for which County may be found jointly or solely liable.

6. EMPLOYMENT ELIGIBILITY VERIFICATION: Contractor warrants that it fully complies with all federal statutes and regulations regarding employment of aliens and others, and that all its employees performing services hereunder meet the citizenship or alien status requirements contained in federal statutes and regulations. Contractor shall obtain, from all covered employees performing services hereunder, all verification and other documentation of employment eligibility status required by federal statutes and regulations, as they currently exist and as they may be hereafter amended. Contractor shall retain such documentation for all covered employees for the period

prescribed by law. Contractor shall indemnify, defend, and hold harmless County, its officers, and employees from employer sanctions and any other liability which may be assessed against Contractor or County in connection with any alleged violation of federal statutes or regulations pertaining to the eligibility for employment of persons performing services under this Agreement.

7. STAFFING AND STAFF DEVELOPMENT: Contractor shall operate continuously throughout the term of this Agreement with at least the minimum number of staff required by County. Such personnel shall be qualified in accordance with standards established by County. In addition, Contractor shall comply with any additional staffing requirements which may be included in the Exhibit(s) attached hereto.

During the term of this Agreement, Contractor shall have available and shall provide upon request to authorized representatives of County, a list of persons by name, title, professional degree, salary, and experience who are providing services hereunder. Contractor also shall indicate on such list which persons are appropriately qualified to perform services hereunder. If an executive director, program director, or supervisory position becomes vacant during the term of this Agreement, Contractor shall, prior to filling said vacancy, notify Director. Contractor shall provide the above set forth required information to Director regarding any candidate prior to any appointment. Contractor shall institute and maintain appropriate supervision of all persons providing services pursuant to this Agreement.

Contractor shall institute and maintain a training/staff development program pertaining to those services described in the Exhibit(s) attached hereto. Appropriate

training/staff development shall be provided for treatment, administrative, and support personnel. Participation of treatment and support personnel in training/staff development should include in-service activities. Such activities shall be planned and scheduled in advance; and shall be conducted on a continuing basis. Contractor shall develop and institute a plan for an annual evaluation of such training/staff development program.

8. INDEPENDENT CONTRACTOR STATUS:

A. This Agreement is by and between County and Contractor and is not intended, and shall not be construed, to create the relationship of agent, servant, employee, partnership, joint venture, or association, as between County and Contractor. The employees and agents of one party shall not be, or be construed to be, the employees or agents of the other party for any purpose whatsoever.

B. Contractor shall be solely liable and responsible for providing to, or on behalf of, its employees all legally required employee benefits. County shall have no liability or responsibility for the payment of any salaries, wages, unemployment benefits, disability benefits, or other compensation or benefits to any personnel provided by Contractor.

C. Contractor understands and agrees that all persons furnishing services to County pursuant to this Agreement are, for purposes of workers' compensation liability, the sole employees of Contractor and not employees of County. Contractor shall bear the sole liability and responsibility for any and all

workers' compensation benefits to any person as a result of injuries arising from or connected with services performed by or on behalf of Contractor pursuant to this Agreement.

D. ACKNOWLEDGMENT that each of Contractor's employees understands that such person is an employee of Contractor and not an employee of County shall be signed by each employee of Contractor performing services under his Agreement and shall be filed with County's Department of Human Resources, Health, Safety, and Disability Benefits Division, 3333 Wilshire Boulevard, 10th Floor, Los Angeles, California 90010. The form and content of such ACKNOWLEDGMENT shall be substantially similar to Exhibit I, attached hereto and incorporated herein by reference.

9. CONTRACTOR'S WILLINGNESS TO CONSIDER COUNTY'S

EMPLOYEES FOR EMPLOYMENT: Contractor agrees to receive referrals from County's Department of Human Resources of qualified permanent employees who are targeted for layoff or qualified former employees who have been laid off and are on a reemployment list during the life of this Agreement. Such referred permanent or former County employees shall be given first consideration of employment as Contractor vacancies occur after the implementation and throughout the term of this Agreement.

Notwithstanding any other provision of this Agreement, the parties do not in any way intend that any person shall acquire any rights as a third party beneficiary of this Agreement.

10. CONSIDERATION OF GAIN/GROW PROGRAM PARTICIPANTS FOR EMPLOYMENT: Should Contractor require additional or replacement personnel after the effective date of this Agreement, Contractor shall give consideration for any such employment openings to participants in County's Department of Public Social Services' Greater Avenues for Independence ("GAIN") Program or General Relief Opportunity for Work (GROW) Program who meet Contractor's minimum qualifications for the open position. County will refer GAIN/GROW participants by job category to Contractor.

11. STAFF PERFORMANCE OF SERVICES WHILE UNDER THE INFLUENCE: Contractor shall ensure that no employee or physician performs services while under the influence of any alcoholic beverage, medication, narcotic, or other substance that might impair his/her physical or mental performance.

12. RECORDS AND AUDITS:

A. Financial Records: Contractor shall prepare and maintain on a current basis, complete financial records in accordance with generally accepted accounting principles and also in accordance with written guidelines, standards, and procedures which may from time to time be promulgated by Director. Such records shall clearly reflect the actual cost of the type of service for which payment is claimed and shall include, but not be limited to:

(1) Books of original entry which identifies all designated donations, grants, and other revenues, including County, federal, and State revenues and all costs by type of service.

(2) A General Ledger.

(3) A written cost allocation plan which shall include reports, studies, statistical surveys, and all other information Contractor used to identify and allocate indirect costs among Contractor's various services. Indirect costs shall mean those costs incurred for a common or joint objective which cannot be identified specifically with a particular project or program.

(4) Personnel records which show the percentage of time worked providing services claimed under this Agreement. Such records shall be corroborated by payroll timekeeping records, signed by the employee and approved by the employee's supervisor, which show time distribution by programs and the accounting for total work time on a daily basis. This requirement applies to all program personnel, including the person functioning as the executive director of the program, if such executive director provides services claimed under this Agreement.

(5) Personnel records which account for the total work time of personnel identified as indirect costs in the approved contract budget. Such records shall be corroborated by payroll timekeeping records signed by the employee and approved by the employee's supervisor. This requirement applies to all such personnel, including the executive director of the program, if such executive director provides services claimed under this Agreement.

The entries in all of the aforementioned accounting and statistical records must be readily traceable to applicable source documentation (e.g., employee timecards, remittance advice, vendor invoices, appointment logs, client/patient ledgers). All financial records shall be retained by Contractor at a location in Southern California during the term of this Agreement and for a minimum period of five (5) years following expiration or earlier termination of this Agreement, or until federal, State and/or County audit findings are resolved, whichever is later. During such retention period, all such records shall be made available during normal business hours to authorized representatives of federal, State, or County governments for purposes of inspection and audit. In the event records are located outside Los Angeles County, Contractor shall pay County for all travel, per diem and other costs incurred by County for any inspection and audit at such other location.

B. Preservation of Records: If following termination of this Agreement Contractor's facility is closed or if ownership of Contractor changes, within forty-eight (48) hours thereafter, the Director is to be notified thereof by Contractor in writing and arrangements are to be made by Contractor for preservation of the client/patient and financial records referred to hereinabove.

C. Audit Reports: In the event that an audit of any or all aspects of this Agreement is conducted of Contractor by any federal or State auditor, or by any auditor or accountant employed by Contractor or otherwise, Contractor shall

file a copy of each such audit report(s) with the Director and County's Department of Public Health - Financial Services Division, and County's Auditor Controller within thirty (30) calendar days of Contractor's receipt thereof, unless otherwise provided for under this Agreement, or under applicable federal or State regulations. To the extent permitted by law, County shall maintain the confidentiality of such audit report(s).

D. Independent Audit: Contractor's financial records shall be audited by an independent auditor for every year that this Agreement is in effect.

The audit shall satisfy the requirement of the federal Office of Management and Budget (OMB) Circular Number A-133. The audit shall be performed by an independent Auditor in accordance with Governmental Financial Auditing Standards developed by the Comptroller General of the United States, and any other applicable federal, State, or County statutes, policies, or guidelines. Contractor shall file such audit report(s) with the County's Department of Public Health - Financial Services Division no later than ninety (90) calendar days from the completion of the audit.

The independent auditor's work papers shall be retained for a minimum of three (3) years from the date of the report, unless the auditor is notified in writing by County to extend the retention period. Audit work papers shall be made available for review by federal, State, or County representatives upon request.

E. Program/Fiscal Review: In the event County representatives conduct a program review or financial evaluation or audit of Contractor,

Contractor shall fully cooperate with County's representatives. Contractor shall allow County representatives access to all financial records, medical records, program records, and any other records pertaining to services provided under this Agreement. Additionally, Contractor shall make its personnel, facilities, and medical protocols available for inspection at reasonable times by authorized representatives of County. Contractor shall be provided with a copy of any written program review or financial evaluation reports. Contractor shall have the opportunity to review County's program review and financial evaluation or audit reports, and shall have thirty (30) calendar days after receipt of County's findings to review the results and to provide documentation to County to resolve exceptions. If, at the end of the thirty (30) day period, there remain exceptions which have not been resolved to the satisfaction of County's representatives, then the exception rate found in the audit or sample results thereafter shall be applied to the total County payments made to Contractor for all claims paid during the program review or financial evaluation or audit period under review to determine Contractor's liability to County. If it is determined that Contractor is liable to County for any evaluation or audit exceptions, Contractor agrees to refund County the amount of the liability. In its sole discretion, the County can require either a monetary refund of the liability or offset the liability against any outstanding invoices. The obligations set forth in this paragraph survive the expiration or termination of the Agreement.

F. Failure to Comply: Failure of Contractor to comply with the terms of this Paragraph shall constitute a material breach of contract upon which Director may suspend or County may immediately terminate this Agreement.

13. REPORTS:

A. Contractor shall submit to County the following reports showing timely payment of employees' federal and State income tax withholding:

(1) Within ten (10) calendar days of filing with the federal or State government, a copy of the federal and State quarterly income tax withholding return, federal Form 941, and State Form DE-3 or their equivalent.

(2) Within ten (10) calendar days of each payment, a copy of a receipt for or other proof of payment of federal and State employees' income tax withholding whether such payments are made on a monthly or quarterly basis.

Required submission of the above quarterly and monthly reports by Contractor may be waived by Director based on Contractor's performance reflecting prompt and appropriate payment of obligations. Requirements of this Subparagraph A shall not apply to governmental agencies.

B. Contractor shall make other reports as required by Director concerning Contractor's activities as they affect the contract duties and purposes contained herein. In no event, however, may County require such reports unless it has provided Contractor with at least thirty (30) calendar days' prior written

notification thereof. County shall provide Contractor with a written explanation of the procedures for reporting the required information.

14. CONFIDENTIALITY: Contractor agrees to maintain the confidentiality of all patient records and information, in accordance with all applicable Federal, State and local laws, ordinances, rules, regulations and directives relating to confidentiality. Contractor shall inform all of its officers, employees, agents, independent contractors and others providing services hereunder in writing of the confidentiality provisions of this Agreement. A copy of such document informing all of its officers, employees, agents and independent contractors of the provisions of this Paragraph shall be retained by Contractor for purposes of inspection and audit and made available to County upon request.

15. CONTRACTOR'S OBLIGATIONS AS A NON-BUSINESS ASSOCIATE UNDER THE HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996 ("HIPAA"): Contractor expressly acknowledges and agrees that the provisions of services under this Agreement does not require or permit access by Contractor or any of its officers, employees, or agents, to any patient medical records. Accordingly, Contractor shall instruct its officers, employees, and agents that they are not to pursue or gain access to patient medical records for any reason whatsoever.

Notwithstanding the foregoing, the parties acknowledge that, in the course of the provision of services hereunder, Contractor or its officers, employees, or agents, may have inadvertent access to patient medical records. Contractor understands and agrees that neither Contractor nor its officers, employees, or agents are to take

advantage of such access for any purpose whatsoever. Additionally, in the event of such inadvertent access, Contractor and its officers, employees, and agents shall maintain the confidentiality of any information obtained and shall notify DPH management personnel that such access has been gained immediately, or upon the first reasonable opportunity to do so.

In the event of any access, whether inadvertent or intentional, Contractor shall indemnify, defend, and hold harmless County, its officers, employees, and agents from and against any and all liability, including but not limited to, demands, claims, actions, fees, costs, and expenses (including attorney and expert witness fees) arising from or connected with Contractor's or its officers, employees' or agents' access to patient medical records. Contractor agrees to provide appropriate training to its officers, employees, and agents, regarding their obligation in this regards.

16. PUBLIC ANNOUNCEMENTS AND LITERATURE: Contractor agrees that all materials, public announcements, literature, audiovisuals, and printed materials utilized in association with this Agreement, shall have prior written approval from the Director prior to its publication, printing, duplication, and implementation with this Agreement. All such materials, public announcements, literature, audiovisuals, and printed material shall include an ACKNOWLEDGMENT that funding for such public announcements, literature, audiovisuals, and printed materials was made possible by the County of Los Angeles, Department of Public Health.

Contractor further agrees that all public announcements, literature, audiovisuals, and printed material developed or acquired by Contractor or otherwise, in whole or in

part, under this Agreement, and all works based thereon, incorporated therein, or derived therefore, shall be the sole property of County.

Contractor hereby assigns and transfers to County in perpetuity for all purposes all Contractor's rights, title, and interest in and to all such items, including, but not limited to, all unrestricted and exclusive copyrights and all renewals and extensions thereof.

With respect to any such items which come into existence after the commencement date of the Agreement, Contractor shall assign and transfer to County in perpetuity for all purposes, without any additional consideration, all Contractor's rights, title, and interest in and to all such items, including, but not limited to, all unrestricted and exclusive copyrights and all renewals and extensions thereof.

For the purposes of this Agreement, all such items shall include, but not be limited to, written materials (e.g., curricula, text for vignettes, text for public service announcements for any and all media types, pamphlets, brochures, fliers), audiovisual materials (e.g., films, videotapes), and pictorials (e.g., posters and similar promotional and educational materials using photographs, slides, drawings, or paintings).

17. COUNTY'S QUALITY ASSURANCE PLAN: County or its agent will evaluate Contractor's performance under this Agreement on not less than an annual basis. Such evaluation will include assessing Contractor's compliance with all contract terms and performance standards. Contractor deficiencies which County determines are severe or continuing and that may place performance of this Agreement in jeopardy if not corrected will be reported to the Board of Supervisors. The report will include improvement/corrective action measures taken by County and Contractor. If

improvement does not occur consistent with the corrective action measures, County may terminate this Agreement or impose other penalties as specified in this Agreement.

18. RESTRICTIONS ON LOBBYING:

A. Federal Certification and Disclosure Requirement: If any federal monies are to be used to pay for Contractor's services under this Agreement, Contractor shall comply with all certification and disclosure requirements prescribed by Section 319, Public Law 101-121 (Title 31, U.S.C., Section 1352) and any implementing regulations, and shall ensure that each of its subcontractors receiving funds provided under this Agreement also fully comply with all such certification and disclosure requirements.

B. County Lobbyists: Contractor and each County lobbyist or County lobbying firm as defined in Los Angeles County Code Section 2.160.010, retained by Contractor, shall fully comply with the County Lobbyist Ordinance, Los Angeles County Code Chapter 2.160. Failure on the part of Contractor or any County lobbyist or County lobbying firm retained by Contractor to fully comply with the County Lobbyist Ordinance shall constitute a material breach of contract upon which Director may suspend or County may immediately terminate this Agreement.

19. UNLAWFUL SOLICITATION: Contractor shall require all of its employees performing services hereunder to acknowledge in writing understanding of and Agreement to comply with the provisions of Article 9 of Chapter 4 of Division 3 (commencing with Section 6150) of the Business and Professions Code of the State of

California (i.e., State Bar Act provisions regarding unlawful solicitation as a runner or capper for attorneys) and shall take positive and affirmative steps in its performance hereunder to ensure that there is no violation of such provisions by its employees. Contractor shall utilize the attorney referral services of all those bar associations within Los Angeles County that have such a service.

20. CONFLICT OF INTEREST:

A. No County employee whose position in County enables him/her to influence the award or administration of this Agreement or any competing Agreement, and no spouse or economic dependent of such employee, shall be employed in any capacity by Contractor, or have any other direct or indirect financial interest in this Agreement. No officer or employee of Contractor who may financially benefit from the provision of services hereunder shall in any way participate in County's approval, or ongoing evaluation, of such services, or in any way attempt to unlawfully influence County's approval or ongoing evaluation of such services.

B. Contractor shall comply with all conflict of interest laws, ordinances, and regulations now in effect or hereafter to be enacted during the term of this Agreement. Contractor warrants that it is not now aware of any facts which create a conflict of interest. If Contractor hereafter becomes aware of any facts which might reasonably be expected to create a conflict of interest, it shall immediately make full written disclosure of such facts to Director. Full written disclosure shall include, without limitation, identification of all persons implicated and complete description of all relevant circumstances.

21. BOARD OF DIRECTORS: Contractor's Board of Directors shall serve as the governing body of the agency. Contractor's Board of Directors shall be comprised of individuals as described in its By-Laws; meet not less than required by the By-Laws; and record statements of proceedings which shall include listings of attendees, absentees, topics discussed, resolutions, and motions proposed with actions taken, which shall be available for review by federal, State, or County representatives. The Board of Directors shall have a quorum present at each Board meeting where formal business is conducted. A quorum is defined as one person more than half of the total Board membership.

Contractor's Board of Directors shall oversee all agency contract-related activities. Specific areas of responsibility shall include executive management, personnel management, fiscal management, fund raising, public education and advocacy, Board recruitment and Board member development, i.e., training and orientation of new Board members and ongoing in-service education for existing members.

22. LICENSES, PERMITS, REGISTRATIONS, ACCREDITATIONS, CERTIFICATES: Contractor shall obtain and maintain during the term of this Agreement, all appropriate licenses, permits, registrations, accreditations, and certificates required by federal, State, and local law for the operation of its business and for the provision of services hereunder. Contractor shall ensure that all of its officers, employees, and agents who perform services hereunder obtain and maintain in effect during the term of this Agreement, all licenses, permits, registrations, accreditations,

and certificates required by federal, State, and local law which are applicable to their performance hereunder. Contractor shall provide a copy of each license, permit, registration, accreditation, and certificate upon request of County's DPH at any time during the term of this Agreement.

23. PURCHASES:

A. Purchase Practices: Contractor shall fully comply with all federal, State, and County laws, ordinances, rules, regulations, manuals, guidelines, and directives, in acquiring all furniture, fixtures, equipment, materials, and supplies. Such items shall be acquired at the lowest possible price or cost if funding is provided for such purposes hereunder.

B. Proprietary Interest of County: In accordance with all applicable federal, State, and County laws, ordinances, rules, regulations, manuals, guidelines, and directives, County shall retain all proprietary interest, except their use during the term of this Agreement, in all furniture, fixtures, equipment, materials, and supplies, purchased or obtained by Contractor using any contract funds designated for such purpose. Upon the expiration or earlier termination of this Agreement, the discontinuance of the business of Contractor, the failure of Contractor to comply with any of the provisions of this Agreement, the bankruptcy of Contractor or its giving an assignment for the benefit of creditors, or the failure of Contractor to satisfy any judgment against it within thirty (30) calendar days of filing, County shall have the right to take immediate possession of all such furniture, removable fixtures, equipment, materials, and supplies, without any

claim for reimbursement whatsoever on the part of Contractor. County, in conjunction with Contractor, shall attach identifying labels on all such property indicating the proprietary interest of County.

C. Inventory Records, Controls, and Reports: Contractor shall maintain accurate and complete inventory records and controls for all furniture, fixtures, equipment, materials, and supplies, purchased or obtained using any contract funds designated for such purpose. Within ninety (90) calendar days following the effective date of this Agreement, Contractor shall provide Director with an accurate and complete inventory report of all furniture, fixtures, equipment, materials, and supplies, purchased or obtained using any County funds designated for such purpose.

D. Protection of Property in Contractor's Custody: Contractor shall maintain vigilance and take all reasonable precautions, to protect all furniture, fixtures, equipment, materials, and supplies, purchased or obtained using any contract funds designated for such purpose, against any damage or loss by fire, burglary, theft, disappearance, vandalism, or misuse. Contractor shall contact Director for instructions for disposition of any such property which is worn out or unusable.

E. Disposition of Property in Contractor's Custody: Upon the termination of the funding of any program covered by this Agreement, or upon the expiration or earlier termination of this Agreement, or at any other time that County may request, Contractor shall: (1) provide access to and render

all necessary assistance for physical removal by Director or his authorized representatives of any or all furniture, fixtures, equipment, materials, and supplies, purchased or obtained using any County funds designated for such purpose, in the same condition as such property was received by Contractor, reasonable wear and tear expected; or (2) at Director's option, deliver any or all items of such property to a location designated by Director. Any disposition, settlement, or adjustment connected with such property shall be in accordance with all applicable federal, State, and County laws, ordinances, rules, regulations, manuals, guidelines, and directives.

24. RETURN OF COUNTY MATERIALS: At expiration or earlier termination of this Agreement, Contractor shall provide an accounting of any unused or unexpended supplies purchased by Contractor with funds obtained pursuant to this Agreement and shall deliver such supplies to County upon County's request.

25. SERVICE DELIVERY SITE - MAINTENANCE STANDARDS: Contractor shall assure that the locations where services are provided under provisions of this Agreement are operated at all times in accordance with County community standards with regard to property maintenance and repair, graffiti abatement, refuse removal, fire safety, landscaping, and in full compliance with all applicable local laws, ordinances, and regulations relating to the property. County's periodic monitoring visits to Contractor's facilities shall include a review of compliance with the provisions of this Paragraph.

26. TERMINATION FOR INSOLVENCY, DEFAULT, GRATUITIES, AND/OR IMPROPER CONSIDERATIONS, AND CONVENIENCE:

A. Termination for Insolvency: County may terminate this Agreement immediately for default in the event of the occurrence of any of the following:

(1) Insolvency of Contractor. Contractor shall be deemed to be insolvent if it has ceased to pay its debts at least sixty (60) calendar days in the ordinary course of business or cannot pay its debts as they become due, whether Contractor has committed an act of bankruptcy or not, and whether Contractor is insolvent within the meaning of the federal Bankruptcy Law or not;

(2) The filing of a voluntary or involuntary petition under the federal Bankruptcy Law;

(3) The appointment of a Receiver or Trustee for Contractor;

(4) The execution by Contractor of an assignment for the benefit of creditors.

The rights and remedies of County provided in this Paragraph shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

B. Termination For Default: County may, by written notice of default to Contractor, terminate this Agreement immediately in any one of the following circumstances:

(1) If, as determined in the sole judgment of County, Contractor fails to perform any services within the times specified in this Agreement or any extension thereof as County may authorize in writing; or

(2) If, as determined in the sole judgment of County, Contractor fails to perform and/or comply with any of the other provisions of this Agreement, or so fails to make progress as to endanger performance of this Agreement in accordance with its terms, and in either of these two (2) circumstances, does not cure such failure within a period of five (5) calendar days (or such longer period as County may authorize in writing) after receipt of notice from County specifying such failure.

In the event that County terminates this Agreement as provided hereinabove, County may procure, upon such terms and in such manner as County may deem appropriate, services similar to those so terminated, and Contractor shall be liable to County for any reasonable excess costs incurred by County for such similar services.

The rights and remedies of County provided in this Paragraph shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

C. Termination For Gratuities and/or Improper Consideration: County may, by written notice to Contractor, immediately terminate Contractor's right to proceed under this Agreement, if it is found that gratuities or consideration in any form, were offered or given by Contractor, either directly or through an

intermediary, to any County officer, employee, or agent, with the intent of securing the Agreement or securing favorable treatment with respect to the award, amendment, or extension of the Agreement, or making of any determinations with respect to the Contractor's performance pursuant to the Agreement. In the event of such termination, County shall be entitled to pursue the same remedies against Contractor as it could in the event of default by Contractor. Contractor shall immediately report any attempt by a County officer, employee, or agent, to solicit such improper gratuity or consideration. The report shall be made either to the County manager charged with the supervision of the employee or agent, or to the County Auditor-Controller's Employee Fraud Hotline at (800) 544-6861. (Among other items, such improper gratuities and considerations may take the form of cash, discounts, services, the provision of travel or entertainment, or other tangible gifts.)

D. Termination For Convenience: The performance of services under this Agreement may be terminated, with or without cause, in whole or in part, from time to time when such action is deemed by County to be in its best interest. Termination of services hereunder shall be effected by delivery to Contractor of a thirty (30) calendar day advance Notice of Termination specifying the extent to which performance of services under this Agreement is terminated and the date upon which such termination becomes effective. After receipt of a Notice of Termination and except as otherwise directed by County, Contractor shall:

- (1) Stop services under this Agreement on the date and to the

extent specified in such Notice of Termination; and

(2) Complete performance of such part of the services as shall not have been terminated by such Notice of Termination.

Further, after receipt of a Notice of Termination, Contractor shall submit to County, in the form and with the certifications as may be prescribed by County, its termination claim and invoice. Such claim and invoice shall be submitted promptly, but not later than sixty (60) calendar days from the effective date of termination. Upon failure of Contractor to submit its termination claim and invoice within the time allowed, County may determine on the basis of information available to County, the amount, if any, due to Contractor in respect to the termination, and such determination shall be final. After such determination is made, County shall pay Contractor the amount so determined.

Contractor for a period of five (5) years after final settlement under this Agreement, in accordance with Paragraph 10, Records and Audits, herein, retain and make available all its books, documents, records, or other evidence, bearing on the costs and expenses of Contractor under this Agreement in respect to the termination of services hereunder.

27. CONTRACTOR'S PERFORMANCE DURING CIVIL UNREST OR DISASTER: Contractor recognizes that health care facilities maintained by County provide care essential to the residents of the communities they serve, and that these services are of particular importance at the time of riot, insurrection, civil unrest, natural disaster, or similar event. Notwithstanding any other provision of this Agreement, full

performance by Contractor during any riot, insurrection, civil unrest, natural disaster, or similar event is not excused if such performance remains physically possible. Failure to comply with this requirement shall be considered a material breach by Contractor for which Director may suspend or County may immediately terminate this Agreement.

28. NOTICE OF DELAYS: Except as otherwise provided under this Agreement, when either party has knowledge that any actual or potential situation is delaying or threatens to delay the timely performance of this Agreement, that party shall, within two (2) calendar days, give notice thereof, including all relevant information with respect thereto, to the other party.

29. RESOLICITATION OF BIDS OR PROPOSALS: Contractor acknowledges that County, prior to expiration or earlier termination of this Agreement, may exercise its right to invite bids or request proposals for the continued provision of the services delivered or contemplated under this Agreement. County and its Department of Public Health shall make the determination to resolicit bids or request proposals in accordance with applicable County and DHS policies.

Contractor acknowledges that County may enter into a contract for the future provision of services, based upon the bids or proposals received, with a provider or providers other than Contractor. Further, Contractor acknowledges that it obtains no greater right to be selected through any future invitation for bids or request for proposals by virtue of its present status as Contractor.

30. CONTRACTOR'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM:

A. Contractor acknowledges that County has established a goal of ensuring that all individuals who benefit financially from County through County purchase orders and/ or contracts are in compliance with their court ordered child, family, and spousal support obligations in order to mitigate the economic burden otherwise imposed upon County and its taxpayers.

As required by County's Child Support Compliance Program (County Code Chapter 2.200) and without limiting Contractor's duty under this Agreement to comply with all applicable provisions of law, Contractor warrants that it is now in compliance and shall during the term of this Agreement maintain compliance with employment and wage reporting requirements as required by the federal Social Security Act (42 USC section 653a) and California Unemployment Insurance Code Section 1088.55, and shall implement all lawfully served Wage and Earnings Withholding Orders or Child Support Services Department Notices of Wage and Earnings Assignment for Child or Spousal Support, pursuant to Code of Civil Procedure Section 706.031 and Family Code Section 5246(b).

B. TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM:

Failure of Contractor to maintain compliance with the requirements set forth in the CONTRACTOR'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM Paragraph immediately above, shall constitute a default by Contractor under this Agreement. Without limiting the rights and remedies available to County under any other provision of this

Agreement, failure to cure such default within ninety (90) calendar days of written notice by County shall be grounds upon which County may terminate this Agreement pursuant to the Termination for Default Paragraph of this Additional Provisions attachment to Agreement, and pursue debarment of Contractor pursuant to County Code Chapter 2.202.

31. CONSTRUCTION: To the extent there are any rights, duties, obligations, or responsibilities enumerated in the recitals or otherwise in this Agreement, they shall be deemed a part of the operative provisions of this Agreement and are fully binding upon the parties.

32. GOVERNING LAWS, JURISDICTION, AND VENUE: This Agreement shall be governed by, and construed in accordance with, the laws of the State of California. Contractor hereby agrees and consents to submit to the exclusive jurisdiction of the courts of the State of California for all purposes regarding this Agreement and further agrees and consents that venue of any action (other than an appeal or an enforcement of a judgment) brought by Contractor, on Contractor's behalf, or on the behalf of any subcontractor which arises from this Agreement or is concerning or connected with services performed pursuant to this Agreement, shall be exclusively in the courts of the State of California located in Los Angeles County, California.

33. WAIVER: No waiver of any breach of any provision of this Agreement by County shall constitute a waiver of any other breach of such provision. Failure of County to enforce at any time, or from time to time, any provision of this Agreement

shall not be construed as a waiver thereof. The remedies herein reserved shall be cumulative and in addition to any other remedies in law or equity.

34. SEVERABILITY: If any provisions of this Agreement or the application thereof to any person or circumstance is held invalid, the remainder of this Agreement and the application of such provision to other persons or circumstances shall not be affected thereby.

35. CONTRACTOR'S EXCLUSION FROM PARTICIPATION IN A FEDERALLY FUNDED PROGRAM: Contractor hereby warrants that neither it nor any of its staff members is restricted or excluded from providing services under any health care program funded by the federal government, directly or indirectly, in whole or in part, and that Contractor will notify Director within thirty (30) calendar days in writing of: (1) any event that would require Contractor or a staff member's mandatory exclusion from participation in a federally funded health care program; and (2) any exclusionary action taken by any agency of the federal government against Contractor or one or more staff members barring it or the staff members from participation in a federally funded health care program, whether such bar is direct or indirect, or whether such bar is in whole or in part.

Contractor shall indemnify and hold County harmless against any and all loss or damage County may suffer arising from any federal exclusion of Contractor or its staff members from such participation in a federally funded health care program.

Failure by Contractor to meet the requirements of this Paragraph shall constitute a

material breach of contract upon which County may immediately terminate or suspend this Agreement.

36. NOTICE TO EMPLOYEES REGARDING THE FEDERAL EARNED INCOME CREDIT: Contractor shall notify its employees, and shall require each subcontractor to notify its employees, that they may be eligible for the federal Earned Income Credit under the federal income tax laws. Such notice shall be provided in accordance with the requirements set forth in Internal Revenue Service Notice 1015.

37. CONTRACTOR RESPONSIBILITY AND DEBARMENT:

A. A responsible contractor is a contractor who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity, and experience to satisfactorily perform the contract. It is County's policy to conduct business only with responsible contractors.

B. Contractor is hereby notified that, in accordance with Chapter 2.202 of the County Code, if County acquires information concerning the performance of Contractor under this Agreement, or other contracts, which indicates that Contractor is not responsible, County may or otherwise in addition to other remedies provided under this Agreement, debar Contractor from bidding or proposing on, or being awarded, and/or performing work on County contracts for a specified period of time, which will generally not exceed five (5) years, but may exceed five (5) years or be permanent if warranted by the circumstances, and terminate this Agreement and any or all existing contracts Contractor may have with County.

C. County may debar Contractor if County's Board of Supervisors finds, in its discretion, that Contractor has done any of the following: (1) violated any term of this Agreement or other contract with County, or a nonprofit corporation created by County, (2) committed any act or omission which negatively reflects on Contractor's quality, fitness, or capacity to perform a contract with County, any public entity, or non-profit corporation created by County, or engaged in a pattern or practice which negatively reflects on same, (3) committed an act or offense which indicates a lack of business integrity or business honesty, or (4) made or submitted a false claim against County or any other public entity.

D. If there is evidence that Contractor may be subject to debarment, Director will notify Contractor in writing of the evidence which is the basis for the proposed debarment and will advise Contractor of the scheduled date for a debarment hearing before County's Contractor Hearing Board.

E. County's Contractor Hearing Board will conduct a hearing where evidence on proposed debarment is presented. Contractor or Contractor's representative, or both, shall be given an opportunity to submit evidence at that hearing. After the hearing, County's Contractor Hearing Board shall prepare a proposed decision, which shall contain a recommendation regarding whether Contractor should be debarred, and if so, the appropriate length of time of the debarment. Contractor and Director shall be provided an opportunity to object to the proposed decision prior to its presentation to County's Board of Supervisors.

F. After consideration of any objections, or if no objections are submitted, a record of the hearing, the proposed decision, and any other recommendation of County's Contractor Hearing Board shall be presented to the Board of Supervisors. County's Board of Supervisors shall have the right at its sole discretion to modify, deny, or adopt the proposed decision and recommendation of County's Contractor Hearing Board.

G. If a Contractor has been debarred for a period longer than five (5) years, that Contractor may after the debarment has been in effect for at least five (5) years, submit a written request for review of the debarment determination to reduce the period of debarment or terminate the debarment. County may, in its discretion, reduce the period of debarment or terminate the debarment if it finds that Contractor has adequately demonstrated one or more of the following: (1) elimination of the grounds for which the debarment was imposed, (2) a bona fide change in ownership or management, (3) material evidence discovered after the debarment was imposed, or (4) any other reason that is in the best interest of County.

H. County's Contractor hearing Board will consider a request for review of a debarment determination only where (1) Contractor has been debarred for a period longer than five (5) years, (2) the debarment has been in effect for at least five (5) years, and (3) the request is in writing, states one or more of the grounds for reduction of the debarment period or termination of the debarment, and includes supporting documentation. Upon receiving an appropriate request,

County's Contractor Hearing Board will provide notice of the hearing on the request. At the hearing, County's Contractor Hearing Board shall conduct a hearing where evidence on the proposed reduction of debarment period or termination of debarment is presented. This hearing shall be conducted and the request for review decided by County's Contractor Hearing Board pursuant to the same procedures as for a debarment hearing.

County's Contractor Hearing Board's proposed decision shall contain a recommendation on the request to reduce the period of debarment or terminate the debarment. County's Contractor Hearing Board shall present its proposed decision and recommendation to County's Board of Supervisors. The Board of Supervisors shall have the right to modify, deny, or adopt the proposed decision and recommendation of the County's Contractor Hearing Board.

I. These terms shall also apply to subcontractors/consultants of County contractors.

38. USE OF RECYCLED - CONTENT PAPER: Consistent with County's Board of Supervisors policy to reduce the amount of solid waste deposited at County landfills, Contractor agrees to use recycled-content bond paper and paper products to the maximum extent possible in connection with services to be performed by Contractor under this Agreement.

39. COMPLIANCE WITH JURY SERVICE PROGRAM:

A. Jury Services Program: This Agreement is subject to the provisions of the County's ordinance entitled Contractor Employee Jury Service

("Jury Service Program") as codified in Sections 2.203.010 through 2.203.090 of the Los Angeles County Code.

B. Written Employee Jury Service Policy:

(1) Unless Contractor has demonstrated to County's satisfaction either that Contractor is not a "Contractor" as defined under the Jury Services Program (Section 2.203.020 of the County Code) or that Contractor qualifies for an exception to the Jury Services Program

(Section 2.203.070 of the County Code), Contractor shall have and adhere to a written policy that provides that its employees shall receive from Contractor, on an annual basis, no less than five (5) days of regular pay for actual jury service served. Contractor's policy may further provide that employees deposit any fees received for such jury service with Contractor or that Contractor deduct from the employee's regular pay the fees received for jury service.

(2) For purpose of this Paragraph, and as set forth in the Jury Services Program provisions of the County Code as described hereinabove: "Contractor" shall mean a person, partnership, corporation, or other entity, that has a contract with County, or a subcontract with a County contractor, and has received, or will receive, an aggregate sum of Fifty Thousand Dollars (\$50,000) or more in any twelve (12) month period under one (1) or more County contracts or subcontracts; "employee" shall mean any California resident who is a full-time employee of Contractor;

and "full-time" shall mean forty (40) hours or more worked per week, or a lesser number of hours, if: 1) the lesser number is a recognized industry standard as determined by the County, or 2) Contractor has a long-standing practice that defines the lesser number of hours as full-time.

Full-time employees providing short-term temporary services of ninety (90) days or less within a twelve (12) month period are not considered full-time for purposes of the Jury Service Program. If Contractor uses any subcontractor to perform services for County under this Agreement, the subcontractor shall also be subject to the provisions of this Paragraph. The provisions of this Paragraph shall be inserted into any such subcontract Agreement and a copy of the Jury Service Program shall be attached to the Agreement.

(3) If Contractor is not required to comply with the Jury Service Program on the effective date of this Agreement, Contractor shall have a continuing obligation to review the applicability of its "exception status" from the Jury Services Program, and Contractor shall immediately notify County if Contractor at any time either comes within the Jury Service Program's definition of "Contractor", or if Contractor no longer qualifies for an exception to the Jury Service Program. In either event, Contractor shall immediately implement a written policy consistent with the Jury Service Program. County may also require, at any time during the Agreement term, and at its sole discretion, that Contractor demonstrate to

County's satisfaction that Contractor either continues to remain outside of the Jury Service Program's definition of "contractor" and/or that Contractor continues to qualify for an exception to the Jury Service Program.

(4) Contractor's violation of this Paragraph of the Agreement may constitute a material breach of this Agreement. In the event of such breach, County may, in its sole discretion, terminate this Agreement and/or bar Contractor from the award of future County contracts for a period of time consistent with the seriousness of the breach.

40. CONTRACTOR'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM: Contractor acknowledges that County has established a goal of ensuring that all individuals who benefit financially from County through Purchase Order or Agreement are in compliance with their court-ordered child, family and spousal support obligations in order to mitigate the economic burden otherwise imposed upon County and its taxpayers.

As required by the County's Child Support Compliance Program (County Code Chapter 2.200) and without limiting Contractor's duty under this Contract to comply with all applicable provisions of law, Contractor warrants that it is now in compliance and shall during the term of this Agreement maintain compliance with employment and wage reporting requirements as required by the Federal Social Security Act (42 USC Section 653a) and California Unemployment Insurance Code Section 1088.5, and shall implement all lawfully served Wage and Earnings Withholding Orders or Child Support

Services Department Notices of Wage and Earnings Assignment for Child or Spousal Support, pursuant to Code of Civil Procedure Section 706.031 and Family Code Section 5246(b).

41. NOTICE TO EMPLOYEES REGARDING THE SAFELY SURRENDERED BABY LAW: The Contractor shall notify and provide to its employees, and shall require each subcontractor to notify and provide to its employees, a fact sheet regarding the Safely Surrendered Baby Law, its implementation in Los Angeles County, and where and how to safely surrender a baby. The fact sheet is available on the Internet at www.babysafela.org for printing purposes.

42. CONTRACTOR'S ACKNOWLEDGMENT OF COUNTY'S COMMITMENT TO THE SAFELY SURRENDERED BABY LAW: The Contractor acknowledges that the County places a high priority on the implementation of the Safely Surrendered Baby Law. The Contractor understands that it is the County's policy to encourage all County Contractors to voluntarily post the County's "Safely Surrendered Baby Law" poster in a prominent position at the Contractor's place of business. The Contractor will also encourage its Subcontractors, if any, to post this poster in a prominent position in the Subcontractor's place of business. The Department of Children and Family Services will supply the Contractor with the poster to be used.

43. COPYRIGHTS/RIGHTS IN DATA:

A. Subject Data: As used in this clause, the term "Subject Data" means writings, sound recordings, pictorial reproductions, drawings, designs or

graphic representations, procedural manuals, forms, diagrams, workflow charts, equipment descriptions, data files and data processing or computer programs, and works of any similar nature ("whether or not copyrighted or copyrightable") which are first produced or developed under this Agreement. The term does not include financial reports, cost analyses, and similar information incidental to contract administration.

Contractor shall be prohibited from copyrighting any data, publications, or materials, whether written or audio-visual (hereafter referred to as "Subject Data"), first produced or developed from work supported by County during the term of this Agreement. Additionally, County, State and federal governments may use, duplicate, or disclose in any manner and for any purpose whatsoever, and permit others to do so, all Subject Data delivered under this Agreement.

B. Federal Government, State and County Rights:

Subject only to the provisions of Subparagraph C below, the federal Government, State and County may use, duplicate, or disclose in any manner and for any purpose whatsoever, and have or permit others to do so, all Subject Data delivered under this Agreement.

C. License to Copyrighted Data: In addition to the federal Government, State and County rights as provided in Subparagraph B above, with respect to any data which may be copyrighted, the Contractor agrees to and does hereby grant to the federal Government, State and County a royalty-free, nonexclusive, and irrevocable license throughout the world to use, duplicate, or dispose of such

data in any manner for any State, County and federal Government purposes.

Provided, however, that such license shall be only to the extent that the Contractor now has, or prior to completion or final settlement of this contract may acquire, the right to grant such license without becoming liable to pay compensation to others solely because of such grant.

44 . RULES AND REGULATIONS: During the time that Contractor's employees are on County premises, such employees shall be subject to the rules and regulations of such County premises. It is the responsibility of Contractor to acquaint its employees who are to provide services hereunder with such rules and regulations. Contractor shall permanently withdraw any of its employees from the provision of services hereunder upon receipt of written notice from Director that: (1) such employees has violated such rules or regulations, or (2) such employee's actions, while on County premises, indicate that the employee may adversely affect the delivery of health care services. Upon removal of any employee, Contractor shall immediately replace the employee and continue services hereunder.

EXHIBIT A

(DESCRIPTION OF SERVICES)

CERTIFIED NEEDLE EXCHANGE PROGRAM SERVICES AGREEMENT

1. CONTRACTOR'S ADMINISTRATOR AND PERSONNEL:

A. Contractor shall designate an administrator to lead and coordinate Contractor's provision of certified needle exchange program services hereunder. Contractor's administrator shall be available at all reasonable times (Monday through Saturday, 8:00 a.m. to 5:00 p.m.) to explain the services Contractor will provide, or has provided, to County hereunder; such explanation shall include, but not be limited to, making oral presentations on Director's behalf and/or the provision of written reports, to County administrative staff and/or to the community (e.g., local government) in which services are being provided.

Contractor shall notify Director in writing, of the name and telephone, pager, and facsimile/FAX numbers of Contractor's designated administrator within ten (10) calendar days prior to the effective date of this Agreement.

B. Contractor shall ensure that the personnel performing at any site location are properly qualified, trained, and (if needed), bonded, to provide the certified needle exchange program services required by County, in accordance with requirements described in the Statement of Work provision hereinbelow, When requested by Director, Contractor's administrator and Director shall meet to determine staffing levels, service dates (e.g., setting up a timetable which

coordinates the provision of certified needle exchange services by Contractor within the community that Contractor is certified to provide services) and staffing hours, to properly provide services as requested by County.

In any event, Contractor's administrator shall contact Director, at least three (3) calendar days before starting any provision of services hereunder. Contractor's administrator shall confirm the date and time Contractor will begin the provision of services, the community to be served, the location of the service site within the community, and the name, or names, of Contractor's personnel assigned to provide such services.

C. Contractor's administrator shall institute and maintain appropriate supervision of all persons providing services pursuant to this Agreement. Further, unless directed pursuant to this Agreement by Director to do otherwise, Contractor shall work independently on designated assignments in accordance with the Statement of Work duties contained hereunder.

D. Contractor assumes the sole responsibility for the timely completion of all services requested or activities to be performed hereunder.

2. COUNTY PERSONNEL: County does not anticipate assigning County personnel or employees to assist Contractor on a full time or even a part-time basis regarding services to be provided by Contractor pursuant to this Agreement. However, County personnel will be made available to Contractor at the discretion of Director to provide necessary input and assistance in order to answer Contractor's questions required when Contractor is providing services hereunder.

3. AUTHORITY TO USE COUNTY SPACE AND OTHER PROPERTY: If Contractor requires space (e.g., office space) to perform services hereunder, and only for the performance of such services, Contractor is authorized to use and occupy, free of charge and on a nonexclusive basis, available space in the County facility in which needle exchange services are being performed, but only if first approved in writing by Director. If, at any time during the term of this Agreement, any space provided to Contractor by Director is required for other County purposes, at Director's sole discretion, then such space shall be immediately vacated by Contractor and may thereafter be used by County for any purpose.

4. STATEMENT OF WORK: The following indicates the areas to be served, the individual tasks, and general work duties or services, to be performed by Contractor:

A. Contractor shall obtain certification as a County certified NEP, a minimum of ten (10) calendar days prior to providing certified NEP services to any IDU, or individual, (i.e., client) within Los Angeles County.

B. Contractor shall provide certified NEP services only to clients residing in Los Angeles County, who are eighteen (18) years of age or older, and only to those person who are officially enrolled in the NEP. Such NEP services shall include verification of a person's eligibility (as described above) to receive NEP services, completion of enrollment or encounter forms for new clients, and/or referring persons/clients to other NEP client related services. Contractor shall ensure all referrals are made in accordance with Contractor's written protocol for appropriately referring clients (especially clients younger than eighteen [18] years of age who are not emancipated minors), for wraparound

services as approved by County at time of Contractor's certification. Referrals shall either be made to other agencies or programs in which Contractor has developed linkages to, and that can provide client with: 1) drug treatment, including detoxification and residential services, 2) medical care, 3) Human Immunodeficiency Virus ("HIV") counseling and testing, 4) Sexually Transmitted Disease ("STD") testing and treatment, and 5) housing services. Contractor, or through arrangements made by Contractor with a County Assessment Services Center ("CASC") worker, shall at a minimum provide a client being referred to a provider/service agency with information which includes, but shall not be limited to, the agency's name, location (i.e., street address, city, state, zip code, telephone number, and contact person's name), type of service provided, hours of operation, as well as, providing for escort services (i.e., escorting client to the agency for service) and/or providing "fast tracking" services (i.e., making arrangements for client receiving services quicker than the usual wait for services) . Contractor agrees to especially not to provide syringes (or any drug paraphernalia) to persons known to be under eighteen (18) years of age who are not emancipated minors, or persons not enrolled in the NEP.

Contractor shall ensure that all NEP services provided herein, are in accordance with the procedures and requirements as described in the *County of Los Angeles Policies and Procedures for Certified Needle Exchange Program (September 2006 version) manual*; as provided to Contractor at the time of Contractor's certification, and incorporated herein by reference.

C. Contractor agrees to provide certified NEP services from a location, using a selected site modality (e.g., street-based, applicant agency-based, clinic based, and/or partner program-based), as approved by Director at the time of Contractor's certification as a County certified NEP (service provider). Contractor shall notify Director, in writing, of any changes made in Contractor's location, and/or selected site modality, at least ten (10) calendar days prior to the effective day thereof. Contractor further agrees to be re-certified as a County NEP, if such change in Contractor's location and/or site modality is determined by Director to require such re-certification.

D. Contractor shall ensure that all of Contractor's staff, volunteers, and related persons providing direct services to clients (all hereafter referred to "Contractor's staff" or "Contractor's employees"), at Contractor's County certified NEP, shall be culturally, linguistically, and technically competent to provide NEP services described herein. In addition, Contractor shall also ensure that all of Contractor's staff providing direct services to clients, have either been vaccinated for Hepatitis "B", or provide proof of immunity against it. If any of Contractor's staff providing direct services to clients, chooses not to be vaccinated, or cannot provide proof of immunity, such staff must sign a form indicating they have chosen not to be vaccinated.

E. Contractor shall ensure that all of Contractor's staff providing direct services to clients herein are properly trained to provide such NEP services, at a level that meets or exceeds the NEP training standards set forth by County, before such staff provides any services to any client. Contractor shall especially

ensure that Contractor's staff are trained in: 1) proper client data collection (e.g., during a client's enrollment to the NEP) and the proper protection of such data in maintaining a client's anonymity, 2) State of California and local syringe exchange regulations, 3) harm reduction, 4) safe injection practices (e.g., cleansing skin with alcohol swabs prior to injecting not sharing syringes etc.), 5) safe handling and disposal of syringes, 6) procedures to ensure proper referrals, 7) needlestick protocol, and 8) handling of emergency situations (e.g., drug overdose of client etc.).

Further Contractor shall also ensure that Contractor's staff enroll in County approved training courses including but not limited to HIV counseling and testing is provided by DPH's Office of AIDS Programs and Policy ("OAPP") Sexually Transmitted Disease training as provided through the California Department of Public Health Sexually Transmitted Disease/Human Immunodeficiency Virus ("STD/HIV") Prevention Center and harm reduction courses as provided through the Harm Reduction Training Institute and any other training class required by Director.

F. Contractor shall have one or more of Contractor's staff who are qualified and capable of providing "in-house" NEP services training. Contractor's staff at a minimum shall be trained by Contractor's in-house trainers in the following areas: 1) State and local syringe exchange regulations; 2) Overview of the harm reduction philosophy and the harm reduction model employed by the Contractor; 3) Safer injection practices (e.g. cleaning skin with alcohol swabs prior to injecting not sharing syringes etc.); 4) Procedures for safe handling and

disposal of syringes; 5) Procedures for making referrals for clients to other services including drug treatment health *centers* etc.; and 6) Contractors protocol for handling needlesticks emergency situations and for collecting and maintaining confidential records and data including protecting a client's confidentiality.

G. Contractor shall at all times have the proper number of new syringes sharps containers and related supplies (*e.g.* alcohol wipes, bandages, cotton balls/gauze pads, and sterile water) needed to properly provide NEP services for a period of no less than thirty (30) calendar days. Such new syringes, sharps containers, and related supplies, shall always be transported and stored in clean and dry place/storage containers to prevent contamination of any kind. Further, Contractor shall especially ensure that new syringes and sharp containers with collected used syringes are handled in a secure manner, while on site, in transportation, or in storage, with access to locked containers while on site or in transportation and locked storage areas both limited to only those designated Contractor staff (*i.e.*, one [1] primary and one [1] alternate) authorized to directly issue and handle syringes and supplies. In addition, Contractor shall ensure that all collected used syringes are: 1) tracked (*i.e.*, adherence to a one-for-one syringe exchange) with tracking records maintained for review by Director, 2) placed in a sealed sharps container with the container handled in secure manner at all times (*e.g.*, on site, when transporting, and when storing), including keeping the container in a locked and secure place, and 3) handled and disposed of as medical waste, in accordance with the laws of the State of California.

H. Contractor shall have a designated protocol for handling needlestick injuries and shall ensure that all of its staff is trained in such protocol. Contractor shall have a designated staff member on site at all times who will be responsible for immediately handling needlestick injuries, which shall include but not be limited to, completing a needlestick Injury Report Form (which shall be completed within twenty-four [24] hours of any incident) for any of Contractor's staff that sustains a needlestick injury. Further Contractor shall have access to a health care facility (e.g., through a Memorandum of Understanding ["MOU"], contract, insurance, etc.) that will provide immediate Hepatitis Band "C" screening and HIV counseling and testing, as well as, post-exposure prophylaxis ("PEP") medication to reduce the risk of developing HIV infection, which all of Contractor's staff can be referred to for services when a needlestick injury occurs.

I. Contractor shall have an ongoing monitoring and evaluation plan which monitors the NEP services being provided by Contractor and evaluates their effectiveness (e.g., a quality assurance and improvement program) for improving NEP services provided to clients.

J. Contractor shall maintain appropriate records as needed for Contractor to produce quarterly and annual reports, in a report format as approved by the Director. Contractor shall allow County to perform site visits of Contractor's NEP service operations at any time, but no less than bi-annually, to ensure contractor's compliance with County NEP guidelines. In addition, County upon receiving a complaint about the NEP services provided by Contractor from

any third party shall be allowed to make site visits and/or investigate in any manner, suspected infractions committed by Contractor, upon a minimum of ten (10) calendar days written notice to Contractor. Contractor shall correct any deficiency found during any bi-annual site visit or investigative site visit in which allegations are found to be true, within thirty (30) calendar days of being given written notice by County that a corrective action is needed. Contractor understands that if Contractor takes no action to correct any problems found by County, for which Contractor has been provided a thirty (30) day corrective period, County may suspend Contractor for a period of ninety (90) calendar days, or may elect to terminate this Agreement.

5. REIMBURSEMENT: County agrees to compensate Contractor for actual reimbursable costs incurred while providing services designated in the attached budget, ("Schedule 1") as such costs are reflected in Contractor's billing statements. The definition of "services" for purposes of this Paragraph shall include time spent performing any service activities designated in this Exhibit and shall also include reasonable time spent following the execution of this agreement on the preparation for such service activities. The fee paid Contractor by County for certified needle exchange program services which are fully completed and performed at its proposed site to be located in County's Service Planning Area ("SPA") ## as specified hereinabove, shall be no greater than One Hundred Thousand Dollars (\$100,000), effective on the date executed by both parties, but no sooner than date of Board approval, through June 30, 2010, or for a period of not less than three (3) months, with a provision for the continuation of program services, effective upon completion of the initial term through

June 30, 2011, contingent upon DPH's assessment of program effectiveness and at the sole discretion of the Director. The parties agree such reimbursable costs shall be paid to Contractor on a monthly basis and upon County's receiving of a complete and correct billing notice (i.e., invoice) from Contractor as described under Paragraph 5, Billing and Payment, above. All billing notices shall be sent to DPH; Financial Management; 5555 Ferguson Drive, Suite 100-60; Los Angeles, California 90022; and shall clearly reflect and provide reasonable detail of the services for which a claim is being made, including but not limited to, the service provided, name(s) of the person(s) who provided the services, date(s) and hours worked, and supplies (e.g., clean needles, alcohol wipes, etc.) used, or distributed. In no event shall County be obligated to pay Contractor for unallowable or unsubstantiated costs.

Contractor agrees that the monthly billing rate not to be exceeded by Contractor, as described hereinabove, is an all inclusive rate, and no other costs, charges, taxes, fees, and/or fines shall be billed, or passed on, to County in any manner.

All payments by County to Contractor shall be subject to Director's express approval, in writing, of the work and services associated with such payment. Unless Contractor work which has been billed hereunder has been performed timely and efficiently, as determined in Director's sole discretion, and is otherwise satisfactory, also as determined by Director in his or her sole discretion, no payment will be made by County for that work.

SCHEDULE 1
2009-2010 PROPOSED PROGRAM BUDGET

Agency Name: Agency A
 Address: 0000 Wilshire Blvd
Los Angeles, CA 00000

Program start date: February 1, 2010
 Program end date: June 30, 2010

A. Salaries and Employee Benefits

Positions	Name	Full Time Equivalent (FTE) Annual Salary	% of Time	No. of Months	Cost
Position 1	Program Coordinator	TBD	100%	5	\$12,134
Position 2	Harm Reduction Specialist	TBD	50%	5	\$5,200
Position 3	Harm Reduction Specialist	TBD	100%	5	\$10,401
Position 4	Outreach Specialist	TBD	100%	5	\$10,401
Position 5	Counselor	TBD	10%	5	In Kind
Position 6	Program Director	TBD	20%	5	In Kind
Subtotal Positions					\$38,136
Benefits calculated at <u>27.0%</u>					\$10,297
Total Salaries and benefits					\$48,433

B. Facilities /Supplies

External Travel					\$500
Rent					\$8,783
Telephone					\$2,450
Utilities					\$1,533
Local Mileage					\$300
Program Promotions					\$1,600
Waste Disposal Fee					\$1,050
Office Supplies					\$1,000
Printing					\$765
Maintenance & Repair					\$1,917
Subtotal Facility Cost					\$19,798
Syringes					\$8,400
Alcohol Pads/Cottons					\$207
Condoms & Lube					\$1,457
Other Prevention Supplies					\$1,723
Subtotal Supply Cost					\$11,787
Total Facility and Supply Cost					\$31,585

C. Indirect Cost – Calculated at 10.0% 8,002

D. Contractors

Contractor 1	Nurse	TBD	\$35,380	75%	\$11,051
--------------	-------	-----	----------	-----	----------

E. Total Budget **\$99,071**

F. Cost per month **\$19,814**